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HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

THURSDAY, JUNE 12, 1958
TUESDAY, JULY 29, 1958
WEDNESDAY, JULY 30, 1958

ESTIMATES OF THE DEPARTMENT OF EXTERNAL
AFFAIRS—1958-59

Statement by The Honourable Sidney E. Smith, Secretary of State for
External Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
and Messrs.

Aitken (Miss)	Kucherepa,	Nugent,
Argue,	Lafrenière,	Paul,
Brassard (<i>Lapointe</i>),	Lennard,	Pearson,
Cardin,	MacLellan,	Pratt,
Crestohl,	Macnaughton,	*Richard (<i>Ottawa East</i>),
Deschatelets,	Macquarrie,	Smith (<i>Calgary South</i>),
Dorion,	Mandziuk,	Stinson,
†Eudes,	Martin (<i>Essex East</i>),	Valade,
Fairfield,	McCleave,	Van Horne,
Herridge,	McFarlane,	Vivian,
Jones,	McGee,	White—35.
Jung,	McGrath,	

*Replaced on Thursday, June 12, by Mr. Garland.

†Replaced on Tuesday, July 29, by Mr. Richard (*Ottawa East*).

J. E. O'Connor,
Clerk of the Committee.

ORDERS OF REFERENCE

TUESDAY, June 3, 1958

Resolved,—That the following Members do compose the Standing Committee on External Affairs:

Messrs.

Aitken (Miss),
Best,
Brassard (Lapointe),
Cardin,
Crestohl,
Deschatelets,
Dorion,
Eudes,
Fairfield,
Herridge,
Jones,
Jung,

Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (Essex East),
McCleave,
McFarlane,
McGee,
McGrath,

Nugent,
Paul,
Pearson,
Pratt,
Richard (Ottawa East),
Smith (Calgary South),
Stinson,
Valade,
Van Horne,
Vivian,
White—35.

(Quorum 10)

Attest

(s.) Leon J. Raymond
Clerk of the House

Ordered,—That the Standing Committee on External Affairs be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions, thereon, with power to send for persons, papers and records.

MONDAY, June 9, 1958

Ordered,—That the name of Mr. Argue be substituted for that of Mr. Best on the said Committee.

THURSDAY, June 12, 1958

Ordered,—That the name of Mr. Garland be substituted for that of Mr. Richard (*Ottawa East*) on the said Committee.

MONDAY, June 16, 1958

Ordered,—That the said Committee be authorized to sit while the House is sitting.

Ordered,—That the said Committee be empowered to print, from day to day, 750 copies in English and 350 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

FRIDAY, July 25, 1958

Ordered,—That Items numbered 85 to 111, inclusive, Item numbered 502, Items numbered 542 to 549, inclusive, and Item numbered 655, as listed in the Main and Supplementary Estimates 1958-59, relating to the Department of External Affairs be withdrawn from the Committee of Supply and referred to the Standing Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

TUESDAY, July 29, 1958

Ordered,—That the name of Mr. Richard (*Ottawa East*) be substituted for that of Mr. Eudes on the Standing Committee on External Affairs.

Attest

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

THURSDAY, June 12, 1958

The Standing Committee on External Affairs has the honour to present the following as its

FIRST REPORT

Your Committee recommends:

1. That it be authorized to sit while the House is sitting.
2. That it be empowered to print, from day to day, 750 copies in English and 350 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order No. 66 be suspended in relation thereto.

Respectfully submitted,

H. O. WHITE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, June 12, 1958

The Standing Committee on External Affairs met at 10.30 a.m. this day for organization purposes.

Members present: Miss Aitken, Messrs. Crestohl, Deschatelets, Dorion, Herridge, Jung, Kucherepa, Lafrenière, Lennard, MacLellan, Macnaughton, Macquarrie, Martin (*Essex East*), McCleave, McFarlane, McGee, McGrath, Nugent, Paul, Pratt, Valade, Vivian, and White—23.

On motion of Mr. Kucherepa, seconded by Mr. McCleave, Mr. White was elected chairman.

Mr. White took the Chair and thanked members of the Committee for the honour extended to him. He then made a short statement concerning the future activities of the Committee.

On the motion of Mr. Jung, seconded by Mr. McCleave,

Resolved,—That a recommendation be made to print 750 copies in English and 350 copies in French of its minutes of proceedings and evidence.

On the motion of Mr. Kucherepa, seconded by Mr. Jung,

Resolved,—That a recommendation be made to the House to empower the Committee to sit while the House is sitting.

On the motion of Mr. Lennard, seconded by Mr. Macquarrie,

Resolved,—That a sub-committee on Agenda and Procedure be appointed comprising the Chairman and 6 members to be designated by him.

At 11.00 a.m. the Committee adjourned to the call of the Chair.

TUESDAY, July 29, 1958

The Standing Committee on External Affairs met at 10.05 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Argue, Crestohl, Deschatelets, Dorion, Fairfield, Herridge, Jones, Jung, Lafrenière, Lennard, Macnaughton, Macquarrie, McCleave, McFarlane, McGee, McGrath, Paul, Pearson, Smith (*Calgary South*), Vivian, White.

In attendance: The Honourable Sidney Smith, Secretary of State for External Affairs, assisted by Messrs. Jules Leger, Under Secretary of State for External Affairs; W. D. Matthews, Assistant Under Secretary; H. F. Clark, Director, Finance Division; J. H. Cleveland, Director, American Division; H. F. Davis, Director, European Division; H. B. Robinson, Special Assistant to the Minister; H. Best, Executive Assistant to the Minister; W. T. Delworth, Private Secretary to the Minister; H. J. Armstrong, Financial Adviser to the Department.

The Chairman observed the presence of quorum and made a brief statement concerning the importance of the Committee's work.

STANDING COMMITTEE

Following a statement of the composition of the Sub-committee on Agenda and Procedure comprised of Messrs. Deschatelets, Herridge, Kucherepa, Lafrenière, Lennard and Macnaughton, he called *Item 85—Departmental Administration* and introduced the Secretary of State for External Affairs.

The Minister, in the course of his statement, referred to the following topics:

- (a) recent events in the Middle East.
 - (b) changes in Canada's representation in the Middle East.
 - (c) manufacture and control of nuclear weapons.
 - (d) relations with Soviet Block countries.
 - (e) creation of a United Nations agency for the maintenance of peace.
- Mr. Smith was questioned by Members of the Committee.

Following a discussion concerning the future scheduling of the Committee's meetings the Committee adjourned at 12.15 p.m. to meet again on Wednesday, July 30, 1958.

WEDNESDAY, July 30, 1958

The Standing Committee on External Affairs met at 3.40 p.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Argue, Cardin, Fairfield, Herridge, Jones, Kucherepa, Lennard, Macquarrie, McGee, McGrath, Paul, Pearson, Pratt, Richard (*Ottawa East*), Smith (*Calgary South*), Stinson, Valade, Vivian, and White—19.

In attendance: The Honourable Sidney Smith, Secretary of State for External Affairs, assisted by Messrs. Jules Léger, Under Secretary of State for External Affairs, H. B. Robinson, Special Assistant to the Minister; H. Best, Executive Assistant to the Minister; W. T. Delworth, Private Secretary to the Minister; R. Campbell, Director, Middle Eastern Division; M. Shenstone, Middle Eastern Division; A. G. Campbell, United Nations Division; and H. F. Davis, Director, European Division.

The Chairman observed the presence of quorum and following a brief statement concerning the removal from Canada of certain historic material, he introduced the Minister.

Mr. Smith referred to reports received by the United Nations Security Council from the United Nations Observer Group in Lebanon and by agreement tabled copies for inclusion in the Committee's printed record of proceedings. (See appendices "A" to "E")

The Minister's questioning continuing, the Committee adjourned at 4.15 p.m. to meet on Friday, August 1, 1958.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

TUESDAY, July 29, 1958
10 a.m.

The CHAIRMAN: Gentlemen, will you please come to order. Once again I want to thank the committee for the confidence it has placed in me in asking me to be its chairman.

I wish to welcome the new members of parliament who are having their first experience on this committee and to tell them that this committee is a very friendly one.

At the last session—and I hope at this one as well—we got along very well and there was cooperation among all parties which was appreciated not only by myself but I think as well by every member of the committee.

In the light of the swiftly changing world picture, this is an important committee. Every day the situation in the world changes. I was going to say that it becomes more tense from day to day. But there are lulls.

We have, I think, here, to be very guarded in our remarks so that we shall give offence to none, and that we shall guide Canada wisely.

I think we all appreciated the debate last Friday on external affairs. I think it was a fruitful debate. Out of it we arrived, I think, at a unanimous opinion on position as far as Canada is concerned.

I do not think I need to say more regarding the responsibility of this committee. To the world at large we seek every avenue of peaceful solution to our problems and at the same time we seek to guard and save the safety and security of our democratic way of life, and the democratic world.

I think we have a duty to Canadians, to impress upon them the forward look where Canada is concerned.

I think that many Canadians wonder sometimes when they see our contributions to the improvement of conditions in the so-called "have-not" countries, and that they sometimes think there are enterprises in Canada which should not be forgotten or lost sight of at this time.

We must arrive at wise decisions and give our minister, his deputy, and the department, every assistance we possibly can.

This is the place for members of all parties to bring to the attention of the committee their opinions so that out of any differences of opinion we may arrive at a united front as far as we Canadians are concerned. Let us not show any difference of opinion to the enemy!

Now, while I am on my feet, there are two very minor matters that I would like to bring to your attention, and which I think should be given some consideration later on. But I mention right here that they are very minor matters.

One is in connection with the painting of the "two water mills" which was presented to Canada by the Netherlands. As a matter of fact, I was at the presentation. My understanding at that time was that that painting was to hang in the Parliament Buildings.

But at the time of the fire, I believe in the library, the painting was removed to the National Gallery. I hope that it will come back again to the Parliament Buildings.

The other matter is the question of a certain amount of research and digging in various parts of Canada by American scientists and others, and their taking away to the United States of many fossils and other objects which possibly we should retain here in Canada.

They do it, I think, without so much as a by your leave, as far as Canada is concerned. I bring that to the attention of the committee.

Now, I would like to announce the personnel of the sub-committee on Agenda and Procedure which I have set up to guide us today and in the future. The members are: Messrs. Lennard, Lafreniere, Herridge, Macnaughton, Deschatelets, and Kucherepa.

The committee has before it, as you know, the estimates of the Department of External Affairs for the year ending March 31, 1959. They were referred to us at the close of the debate on Friday.

I will now call Item 85—Departmental Administration.

I am glad that, in the troubled days through which we have been passing, and the number of calls on the time of the minister and the department, that the minister is able to be with us this morning.

I have discussed this with him on two or three different occasions trying to arrive at a date which would not conflict with some of his other appointments, and between cabinet meetings and conferences at Washington and New York.

I find that he is, as you all know, a very busy man. I am glad that the minister is here this morning and without any further ado I now call on the hon. Sidney Smith, Secretary of State for External Affairs.

HON. SIDNEY SMITH (*Secretary of State for External Affairs*): Mr. Chairman, I thank you and this committee for the opportunity to appear here this morning and I assure you and the committee that I shall be eager to return on call unless there is something very urgent which would take me out of Ottawa. The reasons would have to be obvious to you and to the committee.

I have just whispered to the Under Secretary of State for External Affairs asking him if he knew anything about this reference to the Americans taking fossils from Canada. Neither of us know very much about it. But I trust there was no political significance in removing those fossils.

With that I express my gratitude for the scope and fairness of the debate on Friday of last week. I say on behalf of myself, the department, and the government, that it was most helpful to us.

You spoke of the tenseness of the present international situation and I emphasize it. There might be those who would suggest that this is not the time to have public hearings about such matters. But I do not share that view.

The government, myself, and my department look forward to the discussions in this committee—as I said in the house on Friday of last week—with a view to getting the advice and counsel of the committee with respect to major and minor aspects of this present crisis.

I shall endeavour to make full disclosure of anything that I know, subject only to one reservation and that is that I shall not be free in some cases to disclose the content of conversations that I have had in Washington. But I will do my best in that regard. I am not being coy when I say that members of the committee will appreciate it that if I came here before this committee and told what somebody said and what somebody countered, and so forth and so on, I would not be laying the ground for confidence and trust in a discussion of that kind.

I seize this opportunity—as the chairman assures me I shall have—to make some statement about certain facets of the debate in the house last Friday.

As Mr. Pearson said in that debate, the main topic at the moment is the situation in the Middle East. At the outset of my remarks I desire to re-focus our attention on the Middle East.

Some of it may appear to you repetitious, but I am doing this in order to get the picture as clearly as possible before the committee.

Canadian policy towards the Middle East was outlined, as you know, in considerable detail by the Prime Minister and by myself in our statements to the house last Friday.

With regard to Lebanon, our hope is that in the short term—and I would emphasize that word and that concept—in the short term, the United Nations Observation Group in Lebanon (UNOGIL), the extent of which was intimated by the Secretary General after the voting on the Security Council's resolutions—will be effective in establishing stability and in creating conditions which will permit the withdrawal of United States forces from that country.

As I informed the house, the Secretary General has not, as yet, finalized the plan for the expansion of UNOGIL.

There was a telegram which came in just before I left the office this morning which indicated that that work on the part of the Secretary General is nearly finalized. So we expect—or the government expects—that there will be a further invitation from the Secretary General to contribute.

We now have ten or eleven officers, and we anticipate that we will be invited to contribute additional men to that group, UNOGIL.

I stated in the house on Friday that it was not unlikely that the Secretary General would set up an advisory committee with respect to the operations of UNOGIL in its work in Lebanon.

I can now inform the committee that the Secretary General has established that committee and that Canada is a member of it. It is an advisory committee with respect to the operations and objectives of UNOGIL and Canada will be on the committee along with representatives from Brazil, Ceylon, Colombia, India, Norway, and Pakistan.

I would like to make this very clear indeed. This is the same personnel that is to be found on the UNEF advisory committee, but of course they will meet as a UNOGIL advisory committee. I express the hope again that the work of UNOGIL might be a forerunner and a manifestation of long-term United Nations authority on the ground in Lebanon.

This will also assist in reaching the objectives that I announced in my speech in the house on Friday. UNOGIL might contribute to a long term solution for Lebanon—namely, an internationally recognized status of neutrality on the Austrian model, a status which conceivably might have further application in that area.

You will recall that Mr. Martin in his address on the debate on external affairs shared the view that this might be considered as a pilot project which might be used in other countries in the Middle East. I have heard it suggested since I made my statement in the House of Commons on Friday that that might be unacceptable to the Lebanese. There was nothing in the statement—and I checked *Hansard* with respect to this, Mr. Chairman—there was nothing in my statement that carried with it any implication that such a status of neutrality would be imposed on the Lebanese. It must be acceptable to the Lebanese.

I endeavoured in my speech in the house to indicate my—not my expectation but my grounds for hope, having regard to the history of Lebanon—that it might be acceptable to the Lebanese. On Friday I also mentioned that it was important to find some means to ensure economic stability for Lebanon and for the Middle East as a whole, and that the United Nations and other organizations might have a role to play in this connection.

I was gratified to hear Mr. Pearson mention the same idea in his statement in the house when he spoke of a Marshall Plan for the Middle East administered by the United Nations. He mentioned that the Soviet Union would be less able to exploit its aid-giving, if the scheme were under United Nations auspices.

One must ask the question—can we expect that the U.S.S.R. would contribute to such a fund—to such a plan that would be comparable to the Marshall Plan?

I would welcome a Soviet contribution, but at the moment I must share some anxiety with respect to their willingness to do so. There are many difficulties to be faced in connection with economic aid.

I believe that it is basic to the establishment of stability in the Middle East, and I can assure you, sir, and the committee, that much thought is being given—and has been given in recent weeks particularly—I will extend that to months—to this subject in foreign capitals as well as at the United Nations.

Long steps might have been taken in this regard had they not been halted by reason of the situation in the last two weeks in the Middle East.

I must make it clear and not hold out any definite hope or expectancy that anything will come of this. Discussions are still in the preliminary stage at the United Nations and in the various capitals.

On Friday night the Prime Minister announced the increase of Canadian diplomatic representation in the Middle East. That was not a snap decision. We had been considering it for some time because we did feel that Canada was weak in the quantity of its representation in that part of the world.

In the present crisis we have suffered a little from the lack of knowledge and understanding of the areas which could have obtained if we had had representation in other places in the Middle East. That is one side of the coin.

On the other side of the coin there is this; through increased diplomatic representation we could better make known our views through our diplomatic representatives, to countries in that area.

That is the background for the statement made by the Prime Minister about the appointment of a full time ambassador for Tel Aviv. We have not yet, Mr. Under Secretary, established whether it will be an ambassador or a minister. That would come out of the negotiations that we have with those countries. That is right, is it not?

Mr. JULES LEGER (*Under-Secretary of State for External Affairs*): We will equate our representation with the type they themselves wish.

Mr. SMITH (*Hastings-Frontenac*): Our mission in Tel Aviv is an offshoot of the mission in Athens. We have an ambassador in Athens and he is also accredited to Tel Aviv. In Tel Aviv we have a chargé d'affaires. In the case of Lebanon, we have an ambassador to Cairo and he is also accredited to Lebanon. We have a chargé d'affaires located in Beirut. You can well understand that that has opened a rather difficult position recently for the ambassador in Cairo, as he also has responsibilities in Beirut. In respect of Iran, we have never had any representation there and although Iran has sent us a minister—they have had that representation in Canada for the past two to three years—we never reciprocated. Now we propose to establish an accredited diplomatic representative in Tehran.

In respect of the summit meeting, having regard to the last letter from Mr. Khrushchev I must say very frankly that you know as much about it as I do. I have not as yet seen the text but I have noted, as other members possibly have, the comments in yesterday afternoon's newspapers and this morning's newspapers. I have seen quotations from part of the text of that letter, but as yet I have not seen the full text. We welcome the suggestion of a summit meeting. I think that was a proper attitude for Canada to take.

I make these general observations; we had in mind that if we could take a stand in favour of a summit meeting it might assist some of the powers who would be at such a meeting and who would be the main negotiators. We do share the view and share it very deeply that the meeting should be

held under the auspices of the United Nations. In Mr. Khrushchev's first letter on Saturday afternoon there was no suggestion of the locale and the auspices. That would be under date of July 19th. There was nothing there with respect to the auspices and we took from the very beginning the view that although we had to feel our way in that regard, it should be under the auspices of the United Nations through the Security Council. In our view, that is the proper forum for at least the initial meeting. The reasons are obvious. The reasons were well stated by Mr. Pearson when he said that we should keep these negotiations under the organization that was set up and charged with the responsibility of preserving the peace of the world—that is the United Nations—and I share the view expressed by Mr. Pearson that it is not without some gratification that we noted the stand taken by the United States and the United Kingdom that this problem should be kept within the United Nations.

As you know, Mr. Chairman, the Security Council was seized of the Middle East problem, and because of the desirability of using the opportunity to reinforce the United Nations' authority we should stay there—and not only with respect to the present critical situation—but in so advising our friends we might be establishing a precedent for similar meetings in the future when a critical situation arises.

Now the procedure—it has come out of some discussions and I do not desire to disclose the persons who were in these discussions or their identity as national representatives or representatives of the United Nations—is that we envisage for the meeting a broadly phrased item such as,—and this is in quotation,—“the question of the Middle East” which should be inscribed on the agenda of the Council in regular session. A regular session means a session in which the permanent representatives to the United Nations are present. The purpose of using such an inclusive phrase as the agenda item I have suggested is to promote discussions of some of the more basic Middle East issues and not merely the Lebanese and Jordanian situations. I agree with what Mr. Pearson said on Friday when he said the Jordanian and Lebanese situations are really manifestations of a deeper problem that prevails throughout the whole of the Middle East.

Then, to come back to the procedure we hope might be adopted—and we still hope it might be adopted—this procedure of inscribing the Middle East situation, that is putting it on the agenda, will be done, as we contemplate it, by a regular meeting of the Security Council. We think that the real summit meeting should be initiated by a formal session of the Security Council. The formal session of the Security Council could be attended by as many heads of government as could attend. That would be the second meeting of the Security Council. The purpose of having the heads of government at the full Council meeting is, as we see it, so that the viewpoint of the smaller powers can be brought to bear on, and their moral support made available to those who actually will be doing the detailed negotiating. At this full special session of the Security Council, Canada, if we were requested and if it was generally agreed, would be prepared to move a resolution calling on the permanent members of the Council most directly concerned with the Middle East to meet at the head of government level and that would authorize them to come to the 38th floor of the secretariat building or any other place in the world.

I do not think the location of that summit meeting, matters, provided it is held under the auspices of the Security Council. They would meet and discuss face to face the problems, and would report back later to the Security Council on the results. We had in mind that the Secretary General, who would be present at the meeting of that group, would report back to a meeting of the Security Council.

I emphasize again the view I expressed on Friday, that it is our conviction that Mr. Nehru would have a real contribution to make to such a conference. In my speech in the house on Friday last I endeavoured to give reasons why he should be there, having regard to his personal ability, competence and wisdom and also as a representative of a new voice in Asia. This meeting to which I refer, which would be carried on under the auspices of the Security Council, would of course be a private meeting. I repeat again that it does not matter where it is held. Whether New York, with all its battery of publicity, is the best place for it I do not know. I have experienced to some extent the battery of speculators around the United Nations and I wonder whether it provides the calm and the serenity that is really necessary for a fruitful meeting. I am wondering whether the general publicity would not indeed be harmful. The Prime Minister, in good faith, having in mind this meeting might not be most fruitful if it were held in New York, made the serious suggestion, and reverted to what he said in an earlier letter to Mr. Bulganin, that we in Canada would act as hosts for such a meeting of this group authorized by the Security Council to carry on face to face negotiations. That is a serious proposal. I do not suppose that any country is quite in the same location as that of Canada. Here we are between the United States and the U.S.S.R.

We consider also that it should be left to the Security Council to decide what non-member nations would be permitted to be present at the full Council meeting, the second meeting, and in the third meeting to which the Secretary General would report. But we do consider that it is of the greatest importance to find a means of expressing to the Council and to this group, the opinions of the numerous countries of the area that I mentioned.

Negotiations for the Middle East summit meeting are still proceeding, as I said a moment ago. Having regard to the latest letter of Mr. Khrushchev you have as much information as I have because I have gained my information from the newspapers as you have. The United Kingdom Prime Minister replied to Mr. Khrushchev on July 26 and said that he considered the arrangements for the meeting—including time and composition—should be made by a regular meeting of the Security Council. Having in mind what I said to you this morning, this confirms our own view as to the procedure to be followed. But again I reiterate what I said on several occasions and said last in the House of Commons on Friday. I hope that these procedural matters will not be built up so as to bring about the impossibility of holding such a meeting.

Mr. Khrushchev's reply, made public yesterday July 28, presses for more rapid arrangements for the holding of the meeting and states that the U.S.S.R. would agree to its location in Geneva, Vienna, Paris or elsewhere. He did not object to New York. He criticized President Eisenhower's message for bypassing the question of the participation of India in the conference and he expressed dissatisfaction with the proposal that a regular session of the Security Council should make plans for and initiate the conference. There is some indication from the newspaper reports and partial quotations from his letter that he is not happy with such a scheme as I set out this morning, that is a regular session of the Security Council which would make plans for and initiate the conference. That is where the matter rests for the moment.

I would crave your indulgence, Mr. Chairman and members of the committee in order to comment on three very constructive proposals which are to be forwarded. Mr. Pearson referred in his statement in the house on July 25 to the next session of the General Assembly and he inquired quite properly about the preparations which the government is making for our participation in these meetings. He made this more pointed when he mentioned three matters in which he thought the government might take an initiative in the Assembly. The first one had to do with an initiative to try to halt the

spread and the manufacture of nuclear weapons. Mr. Pearson mentioned the desirability of exploring, and I am quoting from his remarks "the possibility of a resolution which would embody a self-denying principle to be accepted by all other members of the United Nations in regard to the prohibition in their own territory of the manufacture of any atomic weapon of any kind." There is no difference of opinion with respect to the objectives contemplated in that resolution. There were two aspects to Mr. Pearson's proposition. The first relates to the government's attitude toward the spread and the manufacture of nuclear weapons and the second concerns a specific initiative which it is suggested the Canadian delegation might take in the United Nations at the regular meeting that will be convened about the middle of Septembre.

I would comment first about the objectives and then later about the means. Canada has for some time pursued a policy designed to limit the manufacture of nuclear weapons to as few countries as possible. In the proposals of August 29th, 1957 of which mention was made in the house, and which we co-sponsored in the General Assembly in association with the United Kingdom, the United States and France, there was a provision that all future production of fissionable material would be used for peaceful purposes. Furthermore, we have, when granting permits for the export of uranium to countries other than the United States and the United Kingdom, made them conditional on guarantees that uranium provided by Canada will not be used for other than peaceful purposes. We have not undertaken, as members of the committee know, the production of nuclear weapons in Canada. That has been the policy of the previous government and it is the policy of the present government.

These aspects of Canadian policy indicate clearly the governments opposition to the spreading of the capacity to manufacture nuclear weapons.

I share deeply the great concern of the leader of the opposition over the frightening possibilities which would arise if these terrible weapons were to be manufactured by a large number of countries. I agree with him that the time has come to call for a halt to their production.

It takes but little imagination to envisage the dangers of a situation where the know-how with respect to nuclear weapons, and the manufacture of nuclear weapons were disseminated in many countries of the world some of which may be headed now by responsible governments but which might change overnight or in a very short while.

A lack of responsibility, a misuse, a dropping of one of these terrible weapons—and then the spark has been added to a situation of present dangers, and we would find ourselves in a global war. That is the depth of the anxiety which we must all share with respect to the spread of the manufacture of nuclear weapons.

The best solution, and I must confess that it is idealistic at the moment, but we should not lose sight of our ideals—the best solution of this problem would be an agreement on disarmament with the U.S.S.R. which would bring about the cessation of the production, the gradual elimination, and the control of stocks of nuclear weapons already in existence.

I point out again that that was the fundamental principle in connection with the proposals of the United Kingdom, the United States, France, and Canada, and that it was put forward in the Sub-committee on August 29, and set forth in a resolution last autumn at the meeting of the General Assembly. Pending negotiation of such an agreement it is impossible to eliminate these weapons altogether since the security and trust of the North Atlantic alliance depends to a great extent on the deterrent to aggression that these would provide. That is because we have not been able to reach an agreement with the U.S.S.R. in that regard.

But I would point out that within NATO it has not been proven necessary for countries other than the United States and the United Kingdom to produce nuclear weapons, and there is already an adequate capacity for their manufacture, either in the United States or in the United Kingdom.

I mentioned this in the house when I was speaking on Friday, with respect to the view of Canada on the cessation of nuclear tests. That is a manifestation or a further manifestation of government policy in this regard.

Now, I turn to the second aspect of the question, the serious question, the important question, indeed, the constructive question which concerns the role which Canada might play in halting the spread of the manufacture of nuclear weapons. That matter has been considered and we have been probing for several months as to how we could best make our views known, how best we could make our views effective in this particular matter.

I know that it is still under consideration and I am sure that the committee would not expect me to come up today with a definitive plan. I am not being coy when I say—and I am not avoiding the issue when I say—that this matter is giving us—and has been giving us deep concern.

As I intimated a moment ago, there is another facet of this problem related to the spread of the manufacture of nuclear weapons. If a country cannot carry on tests, it is not going to have much of a program in the manufacture of nuclear weapons.

The leader of the opposition on Friday expressed the hope that Canada could take the initiative at the United Nations for the suspension of tests of nuclear weapons of mass destruction for a period of about five years subject only to the supervision on the part of the United Nations.

Well, let us look at the record. I am trying to explain government policy in this regard.

The Prime Minister in the address that he gave in April to the Canadian Press expressed the hope that a political agreement could be reached whereby there would come about cessation of tests.

He did provide however in that regard—he did provide that it would be after agreement had been concluded with respect to effective methods of inspection, and that we must have that before we could ever contemplate a political agreement. And indeed, in what I endeavoured to say in the house on Friday, I expressed again government policy in that regard.

To me it is gratifying on the technical level, the scientific level, to hear of the success that has followed the discussion in Geneva. These men are sitting down together—I can say this—as scientists, and endeavoring to reach conclusions which would provide for perhaps not perfect but for substantially satisfactory means and techniques for the detection of tests.

If those discussions in Geneva provide substantial and satisfactory conclusions, then we should press and we will press for political negotiations for the suspension of tests on the basis of the findings of the scientists who are now meeting in Geneva. I can assure this committee that the most careful and continuing consideration is being given to this question by the government, and that in the United Nations and elsewhere the Canadian government will put forward its views again without disregarding the very substantial political and technical difficulties which remain to be overcome, and that it will work to make it possible to achieve the desirable result or objective—that is, the suspension of tests.

We are hopeful that an agreement on the suspension of tests would improve prospects of disarmament—and I adverted to this on Friday in the House of Commons—and make it possible to anticipate with some greater degree of hope that such an agreement with respect to the suspension of tests would not long stand alone.

We consider that it should be followed without delay by further agreements or—putting it another way—that this political agreement with respect to the cessation of tests would be the first move—the first move to use the words that I have enunciated on other occasions—in establishing not only some security but in establishing a preliminary degree of confidence and an understanding between the U.S.S.R. and the western countries, and then to move on to even more complex questions in the field of disarmament.

I mentioned on Friday the possibility of something in this context: that, after an agreement or the negotiation of an agreement for the suspension of tests, advances might be made in the development of safeguards against surprise attack. If there should be progress towards a political agreement on the suspension of nuclear tests, it would be possible to start discussions on the safeguards against surprise attack in a more favourable atmosphere. That would come about after, I would contemplate, or it might be carried on concurrently with, the negotiation of an agreement with respect to the cessation of tests.

An agreement in the area relating to guarding against surprise attack would constitute really a major step in the establishment of some understanding with the U.S.S.R.

Now, with respect to the third point, and with this I shall conclude my opening statement—a suggestion was made with respect to the creation of an effective United Nations agency for the maintenance of peace, whether it be a police force, or a standing army to run the whole gamut of the possibilities of something in that regard.

The maintenance of international security and the prevention of the outbreak of hostilities and the containment of these hostilities once they have commenced cannot be assured by the division of the world into two ever more powerful armed camps.

The Canadian position has consistently been—with a Liberal administration and now under the present government—in favour of the development of machinery which would help the Security Council to exercise the responsibility in the field of international peace and security assigned to it under the Charter.

There have been several attempts since 1945 to have the United Nations put into a position where it could make an effective contribution to the maintenance of peace by the use of personnel contributed by the member states from their armed forces.

I think it is desirable that I should give you the background in that regard. There was a proposal made by the first Secretary General, Mr. Trygve Lie, for the creation of a "United Nations Guard" which could be used to guard United Nations commissions, assist in conducting plebiscites under the United Nations supervision, administer truce terms, and act as constabulary during the establishment of an international regimes in certain areas.

This met a lot of opposition in the United Nations, and no one knows this better than Mr. Pearson. The opposition was made on legal, financial, political and practical grounds, and we must recognize that in any of the arguments opposed to this proposal were not without substance.

Again, later, another proposal was made for the creation of a "United Nations Legion" which was different in nature and purpose. But it also foundered as a result, not so much of opposition to the principle but rather of fear of political and financial consequences of its implementation among many United Nations members.

We know that the best insurance for the maintenance of peace would be the observation by members of the United Nations of their solemn obligations undertaken in Chapters VI and VII of the United Nations Charter.

We remain convinced, however, that in this less than perfect world, the next best insurance would be the creation of machinery which would provide an army or a United Nations police force to prevent aggression, or to halt it once it had begun.

I would make this observation in passing, that when there is a conflict between the major powers, a police force would not be very effective. We have seen its success in the case of the UNEF which I think is the best example of the effectiveness of such a force.

We must approach this the most vital and serious problem which can ever face mankind with realism and a recognition of the weaknesses and defects of man and of the way in which the instrument he has created operates.

It was suggested recently that there should be established a United Nations corps. But I think that would be impractical. It could perform the functions of the UNEF at the present time but complications might arise in another part of the world.

The United Nations could do something to prevent and bring to a halt local hostilities and prevent their spreading. But it might be that one of the component parts of the standing force of the United Nations would not be acceptable to the countries involved in another conflict. It does not take much imagination to picture that.

However, it has frequently been suggested that members of the United Nations should earmark or otherwise have available, pursuant to the commitments that they have made earlier in that regard, forces to supply to the United Nations group, whatever their role might be; and which would depend on particular circumstances at the time.

Indeed, Canada, without earmarking any forces, has been able to contribute forces to UNEF recently and to UNOGIL and perhaps in some measure you could say that there had been forces rather indirectly earmarked or certainly a contemplation that Canada might be called on at any time to contribute to a United Nations instrumentality.

I have in mind the difficulty that the United Nations faces in operating under section 43 of the charter, or in operating under the "Uniting for Peace" resolution of the General Assembly. We cannot undertake to go the whole distance in one vast stride. It not only seems to me, but I am convinced, that we must press for the establishment of some type of United Nations instrumentality and that perhaps the best we can do in that regard would be to take small steps.

I have some concern about the role or even the name of such a force. One possibility that we are examining is that we should seek the extension of the role of the Peace Observation Commission which was created in 1950 by the General Assembly under the "Uniting for Peace" resolution.

There are opportunities open for the use of this commission which have not been fully explored and we intend to carry on such an exploration which might lead to fruitful results.

In pursuing this possibility I realize that we might be lowering our sights and that is what I had in mind when I talked about our taking small steps.

The Prime Minister in participating in the general debate of the United Nations last year advocated the establishment of a force or a group upon which the Secretary General—subject to the controls and advice that is put upon him and that would be offered—could call.

It may be that in discussing this possibility with other members of the United Nations we might find that there are certain advantages in avoiding words such as "permanent", or "police", or "force".

We must hope for an agency which would be effective in preventing the development of conditions which result in an explosion of armed conflict and the

needless sacrifice of human lives. That is what this instrumentality would endeavour to do under the flag of the United Nations. It is most desirable and indeed necessary.

In feeling our way and trying again as was tried by others in years past, we would have in mind the desirability and the necessity of providing such an instrumentality in the United Nations.

It is of secondary importance to us what this agency would in the end be called. But it is of the greatest importance that in describing it we avoid the use of words which would create suspicion as to the nature of the agency or the purposes to which it may be put; and in feeling our way in this regard we might be able to overcome some of the objections to some of the proposals which have been made earlier in the United Nations.

The CHAIRMAN: Thank you, Mr. Minister.

The minister mentioned at the outset that he would give a full statement on the department. I might again mention that we are dealing with Item 85—Departmental Administration.

I, as chairman, will endeavour to give everyone a fair opportunity to ask questions. I know from our experience of last year how cooperative the members of the committee were in that regard. Anyone who wishes to ask questions of the minister may do so at this time.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, might I just make one addendum. I said there were ten or eleven Canadian officers who were on the ground as members of UNOGIL. Within a day or two there will be three more, making a total of thirteen or fourteen.

Mr. PEARSON: Mr. Chairman, I would like to make a proposal in respect to procedure which perhaps may be of help in our discussion of these important matters. The minister has mentioned a great many important subjects and there are others such as the functions of NATO which he has not mentioned this morning. I am not criticizing him for that. However, I wonder whether we could divide up our questions, or divide up the matters, so that we relate our questions to each particular subject as it arises.

I have in mind, for instance, the Middle East problem with which the minister dealt. He also dealt with the proposed abolition of nuclear weapon manufacture, the cessation of nuclear tests and also the formations of the United Nations force. These are all related but somewhat separate matters. I wonder whether or not he would think it advisable that we should separate our questions in these separate subjects.

Mr. SMITH (*Hastings-Frontenac*): I would welcome that.

Mr. HERRIDGE: It is a good suggestion. It would lead to orderly questioning.

Mr. SMITH (*Hastings-Frontenac*): Indeed. I wondered if I would make this statement as a whole or whether I would stop after the discussion on the Middle East. However, last night I decided that although they are all inter-related, for ordinary discussion, it might be better to deal with each individually.

The CHAIRMAN: Would you prefer to start with the Middle East?

Mr. PEARSON: My first questions to the minister, Mr. Chairman, would be devoted to Canadian policy in regard to the immediate crisis in the Middle East and later, after other members of the committee have asked questions on that, I would like to ask some other questions on the more general aspects of the Middle East affairs.

My first questions are designed to ascertain, if possible, exactly what the government has done in the last two weeks. We heard about this in general terms from the minister in the house and from the Prime Minister. I am interested in what the government has done in the advice it has offered to other

governments, the United States and the United Kingdom, and the reception of that advice. I am not asking the minister to table the diplomatic notes which were sent, because I know he cannot do that.

Mr. SMITH (*Hastings-Frontenac*): It was mostly oral communication.

Mr. PEARSON: I would ask him if he thinks it proper to tell us the nature of the advice which was given to the governments of the United Kingdom and the United States? I think also a note was sent to India. Then I wonder if he could also give us some of the background of the mission to Washington in a general way, and the stand he took in these conversations at Washington, because I assume he was invited by the government of the United States or by the government of the United Kingdom. Those are the questions on which perhaps the minister could elaborate first.

Mr. SMITH (*Hastings-Frontenac*): In respect of the notes, or the messages, which were sent on the early morning of the 21st, Monday of last week, by the Prime Minister to Mr. Macmillan, President Eisenhower, Prime Minister Nehru, those communications had to do with the invitation which had been issued on July 19 by Mr. Khrushchev in respect of the holding of a summit meeting. The gist of these messages was to the effect that these leaders should not turn down flatly the invitation and we urged Mr. Macmillan and Mr. Eisenhower that they should look at this invitation very carefully. That was against the background which I endeavoured to describe in the house on Friday last of the fear of sliding into a global war, and the thought, without becoming hysterical, that if we fail to seize this opportunity, in respect of the Middle East, that the peoples of the world would consider it a great crime and a cardinal sin if we did not avail ourselves of every opportunity for discussion. That was the gist of the message.

In respect of the message to Mr. Nehru, we indicated to him what our stand in this regard would be. Indeed that was the second communication which had been sent to Mr. Nehru by the Prime Minister. Immediately after the landing of the American troops, the Prime Minister sent a telegram to Mr. Nehru expressing the hope that a person of his personal and official prestige, and representative capacity, might contribute to a solution of the problem which had arisen so quickly by reason of the situation in Iraq. A very cordial reply was sent by Mr. Nehru to that first communication.

In respect of the discussions—I would not call it advice—which I had in Washington with Mr. Dulles and Mr. Selwyn Lloyd, I reminded them of the conditions—there was no necessity for me to remind them of them—that were stated by President Eisenhower and by Mr. Macmillan when the landings took place first in Lebanon and then in Jordan, the conditions that they were going in to stabilize the situation in Lebanon, in the case of the United States, and Jordan in the case of the United Kingdom, and the condition which they had enforced upon themselves to report to the United Nations, and also that they would withdraw their forces as soon as the United Nations could provide an instrumentality which would stabilize the situation.

We were concerned about the spread of the intervention into Iraq. Our advice was that if any invasions were made by other powers in Iraq, we would be getting into a very volatile situation, one which might involve, sooner or later, the U.S.S.R. About the time of the discussions, Mr. Macmillan made it very clear in the House of Commons that they had an undertaking from King Hussein that he would not use the Arab legion, which had been relieved of responsibilities in Jordan by reason of the presence of troops of the United Kingdom, to invade Iraq.

Mr. Macmillan also stated that they had no intention of landing troops in Iraq. With respect to United States intervention in Iraq, there was no suggestion that that would happen.

That was the second point in our discussions. Many other factors were mentioned, but those were the main topics of conversation.

Mr. PEARSON: May I follow that up; in these discussions and in the communications which were sent to the two governments was it pointed out, and did the minister agree that it might be emphasized, that Khrushchev's proposal for a summit conference made on that particular Saturday, which inspired these messages and discussions, which provides for a meeting with a composition which could hardly be much more satisfactory from our point of view—the three western powers, a member of the commonwealth, and the secretary-general of the United Nations—that therefore it might be desirable to take immediate advantage of this proposal for a quick meeting with the security council and accepting the offer under the auspices of the United Nations. The minister has said, and I agree with him, that it would have to be brought under the auspices of the United Nations, in this case the Security Council, but, Mr. Khrushchev in his note, I think did leave the door open for that by saying that the conference which he proposed would report back to the Security Council.

Therefore, presumably, he had that in his mind at that time, even though it was a very offensively worded invitation. I wonder if then or subsequently the British, or more importantly in this instance, the United States government gave our government any indication that they realized the importance of seizing on this invitation in the form of its wording with its relation to the Security Council.

Mr. SMITH (*Hastings-Frontenac*): Yes. The letter of Saturday, the 19th, from Mr. Khrushchev was offensive, and I so stated that at the meeting of the Security Council, and other places. But notwithstanding the truculence we hoped that the meeting will be held.

To come back to what I started to say, it was satisfactory because Mr. Khrushchev, in that first letter, did not insist on parity, for example—the U.S.S.R., France, the United Kingdom and the United States, plus Mr. Nehru from India. It was our view that following that lead that was given, to which Mr. Pearson has referred—they were to report back to the Security Council—it was our view we should endeavour to promote the idea that this meeting should be held under the auspices, from the beginning, of the United Nations.

Mr. PEARSON: Would the minister give the committee the benefit of his views as to how this whole matter now seems to have become very badly bogged down to the point where the wrong people seem to be getting the wrong propaganda value out of it?

Mr. SMITH (*Hastings-Frontenac*): I cannot express the views, or the attitudes, of other capitals. I will speak with confidence concerning the Canadian attitude.

Mr. PEARSON: May I ask the minister whether he now feels that the best way to proceed—because by reading the papers this morning it seems to be confused—or perhaps the best way to get out of it, is to press for a very early meeting of the security council, and perhaps on an official level that would be the best way to have that meeting of the security council take quick action along the lines suggested that the smaller group of countries which has been mentioned be set up to meet in private at New York, or elsewhere, to deal with the matter and report back to the security council.

Mr. SMITH (*Hastings-Frontenac*): I am not giving away any secrets when I say we are now discussing that idea with the Secretary-General.

Mr. PEARSON: I have a lot of other questions which I would like to ask, but perhaps somebody else would like to ask a few questions at this time.

Mr. HERRIDGE: I was interested particularly in your reference to the possibilities of development of further economic aid, which I am sure is increasing.

Would you tell the committee what could be done to also provide further economic justice to these people. I ask that question in relation to the export of their natural resources from those countries and what they receive in return, which is a question, I understand, of considerable dissatisfaction. Has there been any discussion along those lines?

Mr. SMITH (*Hastings-Frontenac*): May I inquire exactly what the hon. member means?

Mr. HERRIDGE: What these states receive in return for the oil exported from the Middle East countries?

Mr. SMITH (*Hastings-Frontenac*): I cannot anticipate the details, but when you speak of economic aid it would seem to me that would be involved in an assessment of the present situation in support of further economic measures. May I make it very clear that I am not speaking in relation to detail when I make that general observation.

The CHAIRMAN: I am certain that the members of the committee appreciate very much the sentiment expressed by the honourable leader of the opposition in not wanting to take up all the time of the committee.

Mr. ARGUE: Mr. Chairman, we all appreciate the statement which the minister has given in such full terms. Would he inform the committee as to when Canada was first advised of the United States action in respect of Lebanon or whether Canada learned prior to or subsequent to the event.

Mr. SMITH (*Hastings-Frontenac*): I was not here and I do not have in mind what the Prime Minister said in the house; but I think he indicated on the day after the landing, or the particular day of the landing, that he had been informed the night before.

Mr. ARGUE: Canada was neither advised nor consulted about the sending of the United States troops to Lebanon?

Mr. SMITH (*Hastings-Frontenac*): Canada was not consulted.

Mr. ARGUE: Does the same situation apply in respect of the sending of United Kingdom troops into Jordan; or was Canada consulted?

Mr. SMITH (*Hastings-Frontenac*): We were advised that this step was being taken.

Mr. ARGUE: Advised prior to it?

Mr. SMITH (*Hastings-Frontenac*): After the decision had been made.

Mr. ARGUE: When Canada was advised of the United Kingdom decision to send troops into Jordan, did Canada at that time, in the interests of peace and in the interests of stabilizing the situation in the Middle East, advise against such action?

Mr. SMITH (*Hastings-Frontenac*): Some troops had already left.

Mr. ARGUE: What was Canada's reaction to this advice? Surely, when Canada was informed that this was being done, we must have had some opinion as to whether it was a good thing or a bad thing. Was that opinion given to the United Kingdom?

Mr. SMITH (*Hastings-Frontenac*): I want to make it very clear that we were advised and not consulted before the decision was made. I expressed my views in the house in respect to the situation in the Middle East, and while I appreciate and endorse the views expressed by Mr. Pearson concerning the validity of Arab nationalism, yet as I have stated to the house there were plots to overthrow the governments in several countries. We have that in mind and have in mind also that these troops were not put in as fighting troops but

rather to assist duly constituted governments in maintaining stability; and essentially, as far as the Canadian position is concerned, there is the reference to the United Nations and the statement that they would get out as soon as possible when the United Nations could put in an instrumentality which would take over the task of stabilizing the country.

Mr. ARGUE: In speaking of the plots to overthrow a number of governments in the Middle East do you refer to internal plots?

Mr. SMITH (*Hastings-Frontenac*): External.

Mr. ARGUE: In other words, the U.A.R.?

Mr. SMITH (*Hastings-Frontenac*): I am not restricting it to that.

Mr. ARGUE: Would you inform the committee what the advice of UNOGIL was to the United Nations as to the situation in Lebanon? My understanding, from reading the newspapers, was that this truce observer team had reported that the situation was not at all the kind which required troops being sent by the United States. Would you give the committee the exact terms of the report—the most recent report—that was made by UNOGIL before the United States action?

Mr. SMITH (*Hastings-Frontenac*): I gave that information to the house on Friday afternoon. Up until the overthrow of the government in Iraq it did appear that UNOGIL would be effective in terms of affecting the supply of materiel and the sending of troops across the Lebanon border.

I believe I stated in the house that in the beginning it had access to only 18 kilometers of something like 400 kilometers on the Syrian-Lebanese border. I also stated in the house, and of this I am convinced, that if the Iraqi situation had not arisen they could have performed their functions. However, the Iraqi situation made it impossible for a time at least for UNOGIL to be effective.

Mr. ARGUE: My understanding of what happened in Iraq, from reading the newspaper, was that it had little to do with the plot of Nasser to overthrow that government or to extend his influence; and it seems clear from statements that emanated from the new government from time to time that it is just as pro-western as the former government. I would like Mr. Smith's comments on that. It would seem to me that the new government in Iraq is as pro-western as the old government and that the change in Iraq was not of a nature that should have led to United States troops being sent into Lebanon. It looks to me as though it was an error by the United States in that it was not known what the revolution was really all about. It was neither U.A.R. nor the communists but a revolution within Iraq staged by local citizens and it had little to do with external things.

Mr. SMITH (*Hastings-Frontenac*): I can assure the committee as I assured the house that that was not an isolated incident in Iraq. It was part of a scheme, a plot, affecting not only Iraq but Jordan and other countries. With respect to the attitude of the Iraqi government it is too soon to say anything conclusive. But I must say however that, having professed by their action or lack of action, they have demonstrated they would like to maintain relations with the West. I am not being cynical but I trust that this skepticism will not be fulfilled—but in a situation like this, in order to consolidate their position at home, the new government would desire to appear friendly to the West. I think they will continue in that regard, but it is a little too soon to decide whether that will be their consistent and abiding policy.

Mr. ARGUE: You do not see any evidence so far of its being an anti-western government?

Mr. SMITH (*Hastings-Frontenac*): Thus far it has been encouraging.

Mr. ARGUE: From the time the revolution in Iraq became known did UNOGIL send any messages to the United Nations saying that the situation had changed and that their work was made impossible by this new situation in Iraq?

Mr. SMITH (*Hastings-Frontenac*): I cannot be positive about the total validity of these observations. I was at the United Nations and I have not heard that there was such a communication. I can just put it that way.

Mr. LEGER: I think there was one factual report from UNOGIL between the revolution in Iraq and the decision of the United States to land troops in the Lebanon, but it had nothing to do with the revolution at all; it was merely stating what they had uncovered during a period of 48 hours. We must bear in mind that all these developments happened in rapid sequence. I do recall there was one report.

Mr. ARGUE: Could we be given that report? I take it it is a public document?

Mr. SMITH (*Hastings-Frontenac*): I do not know whether or not it is a public document. No reference was made to it by the Secretary General.

Mr. ARGUE: The information I would like to have, and you may not be able to give us this information, is whether there was any evidence whatsoever from UNOGIL coming to the United States that would warrant the United States having taken this very drastic action that without doubt all will agree has endangered world peace.

Mr. JONES: The actions were taken by other people to endanger world peace.

Mr. ARGUE: I am not saying this is the only action that has endangered world peace, but because of this action we are all agreed that with Dulles' "brinkmanship", if he ever got to be brink of war this was it and if war does not result,—I do not expect it will,—it will be because other cooler heads gave their advice; and I include Canada in that group.

Mr. JONES: Mr. Chairman, when the minister answers that question I wonder if he would include a little wider reference than Mr. Argue has suggested, because it seems to me that there is a tendency to have some people think this so-called game of "brinkmanship" is a game of solitaire. It is not in my view played by one side alone, if indeed that could be the policy that is ascribed to the United States, which I do not admit. But it does seem to me from the communist world there is continuing pressure arising in the form of crises which are designed to test the resolution of the West to maintain the free nations of the world in their present freedom. Up until 1948 and 1949 these tests were not made by a resolution by the West, which subsequently has occurred, and we saw in the earlier period between the dates I have mentioned and the end of the war the wide expansion of the Russian influence. I would like to have, and I am sure the other committee members would like to have, a reply to Mr. Argue's question made in the light of the total picture rather than in an attempt to castigate the United States.

Mr. ARGUE: If I may say so I was merely attempting to find out from Mr. Smith what the effects of the situation are and whether UNOGIL had reported this was a dangerous situation and whether the U.A.R. or the communist world were fomenting in this area. I might ask whether our Minister of External Affairs thinks the U.S.S.R. was fundamentally the party that called the roll in the revolution in Iraq or to what extent communist influence resulted in this revolution.

Mr. SMITH (*Hastings-Frontenac*): I can only repeat what I said earlier, that there was a plot and undoubtedly the U.S.S.R. was not unhappy about

it. There was a plot to overthrow the government. There was a plot in Iraq and also one in Jordan. One was successful. I will name the other countries, or some of them. Sudan and Libya were two.

Mr. PEARSON: Is the minister suggesting that the acts in Iraq which are moving into other countries are all one-sided?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. PEARSON: The information I take it that the government received from those concerned, especially in the case of the intervention in Jordan, was to the effect that this particular plot which came into a more general plot was about to erupt immediately in this country, in Jordan, and that information must have come from intelligence sources. It is difficult to be impressed as one would like to be by the validity of that intelligence service information when the same service has no information about the outbreak in Iraq, which had been planned for some years.

Mr. SMITH (*Hastings-Frontenac*): In my opinion that states correctly the situation. They were totally unaware of it.

Mr. PEARSON: They suddenly became aware of it in the case of Jordan. On the same point—and I am not going to ask the minister whether he prefers to play “brinkmanship” or Russian roulette—would he give us some indication of the legal background for the intervention in these two countries under the United Nations Charter?

Mr. SMITH (*Hastings-Frontenac*): Article 51 was invoked and also another resolution to which there was reference—

Mr. PEARSON: Could you put section 51 on the record. Would you read it so we will know what it is.

Mr. SMITH (*Hastings-Frontenac*): I am trying to think of the name of it. No doubt the hon. member will recall it. There were two resolutions there, the “Uniting for Peace” resolution, and the other one I cannot remember. However, that was the view that was taken.

Mr. PEARSON: Is it not a fact the uniting for peace resolution required a decision of the general assembly before action could be taken? I may be wrong in that.

Mr. SMITH (*Hastings-Frontenac*): When there is a failure of the Security Council, yes.

Mr. PEARSON: Article 51 refers to the right of individual or collective self-defence against armed aggression.

Mr. SMITH (*Hastings-Frontenac*): I now have it here. I will read it.

Nothing in the present charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a member of the United Nations.

Mr. PEARSON: Armed attack?

Mr. SMITH (*Hastings-Frontenac*): “Essentials of peace”—I could not think of it. The Essentials of Peace resolution of the General Assembly on December 1, 1949 calls upon the states to refrain from any threats or acts direct or indirect aimed at impairing the freedom, independence, or integrity of any state or at fomenting civil strife and subverting the will of the people in any state. These are the reference that were made.

Mr. PEARSON: I do not think these particular resolutions have any bearing on the legal basis for intervention, because they merely lay down certain principles; but they do not give justification for unilateral intervention if these principles were not observed. But article 51 has something else, and if it could be interpreted as applying to indirect aggression then it applies. I take

it there has been a constructive interpretation given to article 51 which would justify coming to the assistance of a country on the invitation of that country if that country feels it is going to be attacked.

Mr. LEGER: In direct reply, article 51 has not been mentioned in any resolution discussed at the Security Council during this aggression.

Mr. PEARSON: But it has been mentioned.

Mr. LEGER: Yes, but there is no resolution that has been adopted by the Council referring to article 51.

Mr. SMITH (*Hastings-Frontenac*): Then there is in international law, a established principle, that when one country asks aid from another country they can respond. That is clear.

The CHAIRMAN: Might I ask the Leader of the Opposition and the committee if it is the wish to have the complete text of article 51 included in the minutes?

Mr. PEARSON: It has been read now.

The CHAIRMAN: The whole text?

Mr. SMITH (*Hastings-Frontenac*): I did not read all of it.

The CHAIRMAN: Mr. Crestohl has been waiting patiently to ask a question.

Mr. CRESTOHL: In speaking about the Middle East, the information that came out over the week end was to the effect that they will defend the oil interests in the Middle East. I do not recall the exact language, whether it was at all costs or under all circumstances. It could be quite distressing and I am wondering whether the Canadian government could in any way be committed to anything in the event that the United Kingdom makes good this statement that they will defend, if defence should be necessary, the oil interests in the Middle East.

Mr. SMITH (*Hastings-Frontenac*): What statement is Mr. Crestohl referring to?

Mr. CRESTOHL: I have not the statement here but it was in the newspapers, and it came over the television. If you do not know about it you would be unable to answer it. But there was a statement that the United Kingdom has given assurance that it will defend its oil interests in the Middle East. I do not recall the exact wording, whether it was under all circumstances or at any cost.

Mr. SMITH (*Hastings-Frontenac*): I cannot answer that question.

Mr. CRESTOHL: Mr. Deschatelets also saw it in this morning's paper.

Mr. SMITH (*Hastings-Frontenac*): I have no knowledge of that and therefore there is no commitment on the part of the Canadian government.

Mr. CRESTOHL: If the minister has no knowledge there would not be any commitment. It was rather an omnibus statement. It was a press dispatch. I saw it in the newspaper. It is quite a serious statement.

Mr. SMITH (*Hastings-Frontenac*): I say this with great respect: How can I be of any assistance to this committee if you are going to quote something from a newspaper? No one has a clear idea who said it, whether it was some official of a government or someone else. I cannot take that question seriously, but I say there has been no commitment by the Canadian government.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: The minister in his statement talked about the possibility of the observation group UNOGIL expanding to a point where it could do the job which perhaps some other United Nations agencies could do. Is he satisfied that under the original terms of reference setting up this observation group that kind of expansion is possible to the point where you could have a substantial group in Lebanon adequate to assist in maintaining the security there?

Mr. SMITH (*Hastings-Frontenac*): Having heard Mr. Hammarskjöld's statement to which I referred this morning, the one he made after the veto of the Japanese resolution, I do; and I couple with that that their success in that regard would warrant the United States withdrawing its troops.

Mr. PEARSON: May I ask another question or two about the so-called summit meeting? The Prime Minister announced it and the minister referred to it this morning. After this initial Security Council meeting, if it is held at the top level to deal with the inscription of the tem covering the Middle East question—if that meeting takes place, and it would be in public, in New York presumably, then there would be a smaller group set up in some form or other to meet in secret, and as informally as possible, and that that meeting could take place in Canada. That is an invitation that has been made public.

Mr. SMITH (*Hastings-Frontenac*): It was uttered last fall or early winter.

Mr. PEARSON: I know a similar invitation was included in the Prime Minister's reply to Mr. Bulganin in December.

Mr. SMITH (*Hastings-Frontenac*): December.

Mr. PEARSON: But several strings were attached to that invitation later in a speech made by the Prime Minister in January at Winnipeg. I ask the minister whether this invitation which has been made public now is without any conditions or any strings attached.

Mr. SMITH (*Hastings-Frontenac*): If the Security Council so decides.

Mr. PEARSON: It is purely up to the Security Council?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. PEARSON: And there are not other conditions that would be attached by the Canadian government to an invitation for this kind of a meeting in Canada?

Mr. SMITH (*Hastings-Frontenac*): I thought I had expressed my views on that but you are still waiting for an answer.

Mr. PEARSON: You have given an answer that this was an unqualified invitation.

Mr. SMITH (*Hastings-Frontenac*): Subject to this, that the Security Council—the powers to which we refer, desire to come here.

Mr. PEARSON: I suggest that is a change from the statement the Prime Minister made last January.

Mr. SMITH (*Hastings-Frontenac*): I would remind the hon. member, Mr. Chairman, of course in the reply to Mr. Bulganin the Prime Minister was of course speaking about a general global summit meeting. Those things which were said in the house on Friday by the Prime Minister have to do with this emergency situation and getting together these powers to deal with the Middle East situation. We did take the view that in a general summit meeting which would encompass many situations, not only in the Middle East but elsewhere, we would try to work it through consultations in NATO with the ambassadors in Moscow of the United Kingdom, the United States and France—to seek agreement on an agenda for that general type of summit meeting. For the present meeting we are contemplating and promoting, as far as Canada is concerned, a situation that has to do with the Middle East. With respect to the others there was not a condition, but there was an observation that long preparations should be held. But for this one, it is not. Well, preparation may be needed and it was thought that we had better get together; but by reason of the narrowing of the inscription in regard to the Middle East, it was felt we did not require the same preparation; and of course other capitals in the world, members of the United Nations, have been thinking about this for the

last two weeks and a lot of preparation and documentation and so forth has been produced. So there is not the same interest for preparation and settlement of the agenda and all the other matters that had been discussed in Moscow between the ambassadors, individually, I must observe, and Mr. Gromyko, during past months.

Mr. PEARSON: Might I ask this question. It is apparently possible, and I hope it will happen, that we will develop a United Nations information group in Lebanon to a point where it is providing a basis for that withdrawal by the United States which they desire to bring about. What happens in Jordan where there is no United Nations group of that kind?

Mr. SMITH (*Hastings-Frontenac*): Sir Pierson Dixon last Tuesday made this observation at a meeting of the Security Council that the United Kingdom and Mr. Hammarskjöld were discussing what type of instrumentality would be most effective.

Mr. PEARSON: Could the minister see any way for the two governments to accomplish their desire to withdraw from these two countries without the United Nations taking some part?

Mr. SMITH (*Hastings-Frontenac*): That is a hypothetical question, I am afraid.

The CHAIRMAN: Are there any further questions?

Mr. ARGUE: The information coming from Iraq seems to be more and more assuring. Whether we can say it is completely assuring now or not, might I suggest that the time should not be too far distant when American and British troops can withdraw from that area?

Mr. SMITH (*Hastings-Frontenac*): Iraq is not the only factor in the whole area.

Mr. ARGUE: To put it this way: do other conditions seem to be developing in such a way that it would be feasible for British and American troops to withdraw from this area immediately or in the near future?

Mr. SMITH (*Hastings-Frontenac*): I cannot say, unless I come back to the point of the desirability and necessity for the United Nations to provide a solution with respect to the problem of withdrawal.

Mr. ARGUE: It would seem to me that the United Nations was in there, and in spite of UNOGIL the United States took unilateral action. Now the United States and others say that we have to have the United Nations. It seems to me that instead of the United Nations being there, the United States has taken this kind of action supported by Canada.

Mr. SMITH (*Hastings-Frontenac*): With respect to Mr. Pearson's question I would like to read from the following communication:

I wish now to indicate very briefly in what way my government propose to follow up their statement of readiness to withdraw British forces from the territory of Jordan if and when effective arrangements can be made by the U.N. for the protection of Jordan against external threats.

My government have concluded, from the course of the present debate in the council on the Lebanese item, that there is no immediate prospect of agreement being reached here on the necessary measures in Jordan.

They therefore propose, as a first step, to explore urgently with the Secretary General the possibility of devising some form of effective action by the U.N.

This will be done in consultation with the government of Jordan and with other governments concerned.

The object of these consultations will be to work out proposals under which assistance can be given by the U.N. to the government of Jordan to ensure the preservation of its territorial integrity and political independence.

He is discussing with the Secretary General the possibilities in that regard.

Mr. PEARSON: Does that mean that the United Kingdom has stated that their representatives in the security Council will be happy to withdraw from Jordan?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. PEARSON: As soon as the United Nations take over. But what form would the United Nations group take?

Mr. SMITH (*Hastings-Frontenac*): I am unable to answer that question. We have no knowledge of the negotiations which have been carried on by the United Kingdom with Mr. Hammarskjold. But of this I am confident: Mr. Hammarskjold is not dismayed by the task.

Mr. CRESTOHL: There was some reference to the remarks made before in this morning's Gazette at page 32. I think it is more forcefully expressed there than it is here, but if the minister has not seen the item I should like to read it. It reads as follows:

Britain 'will not tolerate' interference in Arab oil.

Britain warned Russia and Egypt today she will not tolerate any deliberate attempt by them to deprive the United Kingdom and Western Europe of Middle East oil supplies.

Speaking for the government in a House of Lords debate on foreign affairs, Lord Home, Secretary of Commonwealth Relations, said Britain wishes to maintain her good relations, commercially and otherwise with Iraq.

He added: 'But should a third party, whether Russia or Col. Nasser, seek by calculated deliberate policy to deprive us of our oil supplies, and to deprive Western Europe of their oil supplies, and therefore put a veto upon industrial expansion in the western world—then it is well to make it plain and unmistakable that the situation could not be tolerated by the United Kingdom.'

Lord Home said Britain's immediate objective is to produce effective machinery to preserve the independent status of Jordan and Lebanon.

A permanent United Nations force for the area was one idea; the neutralization of certain countries was another.

Other ideas were a political commission to supervise the area and an economic commission to organize development.

Speaking of the proposed summit conference, Lord Home said: 'We want no delay. Consistent with preparation, we want to get on with the job.'

As a matter of fact, as I said a moment ago, I think that compared to the television news, the radio, and the French paper, that statement was much more forceful.

I was wondering whether Canada would be in any way linked to any commitment which Great Britain might have made with respect to maintaining her supplies of oil and in using what I believe is almost menacing language.

Mr. SMITH (*Hastings-Frontenac*): I would repeat the answer that I gave: that I have no knowledge of that whatever. Therefore there could not be any commitment. That is logic and good politics between nations.

Mr. JONES: In that regard, there seems to be confusion with respect to two phrases: oil interests, and interests in oil. They are not synonymous phrases.

The interest of western Europe in the supply of oil is not concurrent with protecting any particular oil industry that may be in the area.

Mr. CRESTOHL: That is a perfectly logical statement. The United Kingdom is apparently showing her teeth when she speaks about oil in the Middle East.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: I have questions on other aspects, but I do not know if the committee is going continue sitting beyond twelve o'clock.

Mr. ARGUE: I move we adjourn.

Mr. McCLEAVE: I second the motion.

The CHAIRMAN: We have made plans to meet on Wednesday at 3:30 and again on Friday at 9:30.

There is one other announcement I wish to make. Mr. Rosenthal the Acting Administrator of the Colombo Plan will be available a week from tomorrow, August 6.

General McNaughton, Chairman of the Canadian Section International Joint Commission, will not be in Ottawa until after that date, or rather until August 8. So we are planning to have those gentlemen called at a time that is convenient to them and which would suit the wishes of this committee.

Mr. ARGUE: Is it necessary for us to meet tomorrow afternoon when the house is sitting? Unless it is very urgent I think we should attempt to confine our meetings to when the house is not sitting.

The CHAIRMAN: Well, that is one of the difficulties we have run into in the closing month, shall I say, of the session.

Mr. ARGUE: Yes, and at the first meeting of this committee as well.

The CHAIRMAN: Yes. I admit that we have run up against that question. You will recall that last year when General McNaughton gave his evidence, the new members of the committee found it to be very fruitful and informative.

I examined the possibility in view of the appearance of General McNaughton last session that possibly it could be shortened, or even that we could dispense with it to a limited degree. But the consensus seems to be that it is very advisable that we have a very full hearing of General McNaughton.

Then we are contributing a considerable amount of money to the Colombo Plan consequently, while the work of the house is important, the work of the committee is also important, and it is necessary that it be concluded.

I am trying to steer a middle course, and I feel that if we can only hold one or two meetings a week, I do not see how it is going to be possible for us to conclude the work of this committee.

Mr. ARGUE: As an alternative suggestion, could we not meet when the house is sitting on Monday? We know it is a day for private members' motions or possibly a motion for supply which is a very general debate, and I think the members would agree that with such a debate they could more readily be out of the house than today, for example, when there are a dozen pieces of important legislation to be called.

I do not know what the program is for tomorrow. Mr. Green was unable to tell us. But if we are going to have committee meetings all over the place when the house is sitting, it seems to me that it is unnecessary to hurry to push the work through the committee.

The CHAIRMAN: Our schedule calls for a meeting on Wednesday at 3:30 p.m. and another on Friday morning at 9:30.

Since 1945 when I first came here, the bulk of the estimates were handled in committee in the house, and there were always complaints and suggestions that if the committees were given more to do, it would spread out the work and it would shorten the time required in a session.

I think at the last session and at this session the government has tried to do that and has given a great deal more work to committees.

Consequently this is one of the results. You cannot have it both ways. I am quite prepared to cooperate in every way that I can and I will call the steering committee together. We shall accept the result of that meeting as the final decision for next week. But as far as tomorrow is concerned, we shall meet Wednesday at 3:30 p.m.

Mr. HERRIDGE: In fairness to the chairman, as a member of the steering committee I have given my word to stand behind it. But I am very concerned about having meetings of committees when there is something of great importance in the house which requires our attention. This was discussed early, and it was done because of the amount of work required in dealing with the estimates.

In my case I must admit some guilt in this regard. My great concern is for a full hearing of General McNaughton because I am both naturally and personally interested in the matter, and it is also of interest to the newer members. So I agreed at the steering committee that we should meet on Wednesday.

But the chairman will remember that at that time he said he would do his best after that to have the committee meet along the lines that Mr. Argue suggested just now.

Mr. ARGUE: It would depend to a great extent on what is going on in the house. I hope there will be a general discussion of the estimates instead of a great many bills. But I think we should endeavour not to sit when the house is sitting with the possible exception of Monday.

The CHAIRMAN: One further observation: the fact that several committees have completed their sittings will leave more members free from now on to attend meetings here and in the house.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, of course it is neither my intention nor desire to treat this committee with anything less than the courtesy that is required. Yet I would like to inform the committee that if it is necessary for me to go to the United Nations and it is the view of the government that I should go, I might not be present here next week. If a meeting is to be held, I may not be present here next week by reason of the situation demanding that I should go to the United Nations and engage in discussions there concerning the holding of a meeting. I would like to make that observation, that if the government feels I should go, I will not be here for the meeting; but that is not in contempt of this committee. The members of the committee will appreciate that with these fast moving events such a situation might develop. But as far as I can see I will be here this week anyway; but even with respect to that, I cannot make a commitment.

Mr. LENNARD: In reference to Mr. Argue's statement about the first meeting, it might be well to emphasize the fact that with the events of the last ten days it has been impossible for this committee to meet sooner than today, because of the absence of the minister.

The CHAIRMAN: Shall we adjourn?

Mr. SMITH (*Hastings-Frontenac*): Could I ask a question. It would be helpful to the department if we could get some idea of what might be discussed tomorrow. Mr. Pearson has suggested NATO; could I take that up tomorrow?

Mr. PEARSON: If it would help the minister, I would like to ask questions tomorrow on Middle East affairs more generally. I am thinking of the economic plan the minister mentioned and the neutralization of Lebanon, the question of manufacture and control of nuclear weapons, and how we might make progress at the United Nations in regard to the establishment of the United Nations force. Then, if possible, I would like to discuss recent meetings of the NATO council and to direct questions as to how they are getting along. Those probably will be subjects for my questions tomorrow.

The CHAIRMAN: We will now adjourn.

EVIDENCE

WEDNESDAY, July 30, 1958,
3.30 p.m.

External Affairs

The CHAIRMAN: Gentlemen, I notice that we have a quorum. If you will come to order we will commence with the day's proceedings.

Probably I should say a word or two following up a remark that I rather casually dropped yesterday regarding fossils. There was some misunderstanding about this remark and members of the Senate objected to the inference. I can assure those members that I did not have them in mind.

There is another observation I wish to make regarding this subject. I am told that there is a certain amount of reciprocal arrangement between the United States and Canada, however, I am rather afraid that possibly it is a one-way street. I have in mind the hold home of Thomas A. Edison which was located in my own home area and which was purchased by Americans and moved log by log and board by board out of the country. This home is now in Detroit.

I think we, as Canadians are now paying more attention to our past history. In the same area on the north shore of Lake Erie is located the old home of Colonel Thomas Talbot, plus settlements in western Ontario, particularly the counties of Middlesex, Elgin, Norfolk and some of the other counties in that area which were managed by Colonel Thomas Talbot.

There are several books written about Colonel Talbot. One of them is "Lake Erie Baron", which I would recommend you should study at some future time. That particular home could well become a historical site. There is a cairn erected there but the property has now passed into private hands.

This is only a part of what I was thinking in regard to what we, as Canadians, should keep in mind.

I would remind the members of the committee that we are still considering

Item 85. Departmental Administration (including the former Passport Office Administration)	\$5,533,081
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The CHAIRMAN: Yesterday there were some questions asked about UNOGIL, and the Minister of External Affairs has advised me that he is quite prepared to table the documents dealing with UNOGIL.

Hon. Sidney E. SMITH (*Secretary of State for External Affairs*): Mr. Chairman, during the discussion yesterday Mr. Argue raised certain points in connection with the official reports of UNOGIL, with particular reference to the extent to which those reports revealed the changing conditions in Lebanon at the time of the Iraqi coup.

In this connection I think that Mr. Argue, and indeed all members of the committee, might find it of value to read all the reports submitted by

the Secretary-General on the activities of UNOGIL since its inception, and, with the consent of the chairman, I will table these documents so that they will be available to all for perusal.

These documents are rather bulky; they are five in number. I am not suggesting that they be inserted in the proceedings of this committee, but as you have suggested, they should be merely tabled.

I have some identification numbers here, or reference numbers. I will give these to the reporter. They are United Nations Security Council documents S/4028 and S/4029 of June 16, 1958; S/4038 of June 28, S/4040 of July 3, S/4051 of July 16, and S/4052 of July 17.

The last two reports, I will point out again, bear the dates of July 16 and 17. These two reports were written as of July 15. The overthrow of the government of Iraq occurred during what was for us the night of July 13, a Sunday, and the morning of July 14.

A perusal of these reports, Mr. Chairman, will show that obviously they were written without any relation to the incidents in Baghdad—the overthrow of the Iraqi government—and do not take any cognizance of the landing of the American troops on July 15.

We have endeavoured to ascertain whether any further reports have come to the hands of the Secretary-General, and to the best of my knowledge these reports, to which I have made reference, are all the reports which have been rendered to date.

The CHAIRMAN: Gentlemen, is it the wish of the committee to have these documents printed as appendices to the report?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Are there any further questions with regard to item 85?

Mr. JONES: There was a report in a newspaper that the Baghdad pact countries had considered recognizing Iraq. Has the Minister of External Affairs any comment to make on that subject at this time?

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, I have no comment to make in regard to that report, except to repeat what I uttered in the House of Commons yesterday afternoon. That is, that the matter is under consideration as far as the Canadian government is concerned. I did point out in the House of Commons that there was no particular urgency for Canada to recognize the new regime in view of the fact that we have no representative there. Mr. Argue asked a question with respect to our attitude when the question comes up before the Security Council relating to the seating of the newly designated representative by the new Iraq government representing that country on the Security Council.

The Under-Secretary of State has just passed me a press dispatch.

Iran today recognized the new regime in Iraq, Baghdad radio said.

The Iraqi radio said the Iranian chargé d'affaires in Baghdad handed the Iraqi foreign minister a note comprising recognition of the new government.

If confirmed, Iran is the first of the Baghdad pact powers to recognize the regime, which is expected to divorce Iraq from the anti-communist alliance. The other pact members, Britain, Pakistan and Turkey, are expected to extend recognition later.

West Germany today recognized the new government in Iraq, the West German news agency reported.

So without betraying any confidence I draw the attention of the committee to the fact that Iran, one of the Baghdad pact nations, has recognized the new government.

Mr. ARGUE: I wonder if I might ask the minister whether generally in recognizing a country like Iraq, or some other nation, Canada makes a

decision itself on the basis of its own information and the information it obtains entirely or whether there is some kind of general procedure or practice that is followed of waiting until the United States or the United Kingdom has recognized such a country and then follows one or the other?

Mr. SMITH (*Hastings-Frontenac*): I readily respond to that question. We do get information on the stability and the attitude of a new government in a country from whatever sources we think are reliable and we discuss the matter with our allies.

Mr. ARGUE: Would the minister say that Canada makes its own independent decision entirely?

Mr. SMITH (*Hastings-Frontenac*): Against the background that I have suggested.

Mr. ARGUE: And it would not be fair to conclude as far as recognition of China is concerned that Canada was waiting until the United States took such action and then they would immediately follow. I am hoping that is not the case because I feel if Canada is to play a useful role in international affairs, it must be established we are not just a tag-along nation and that we wait until we see what the United States or the United Kingdom do or what one or the other does and then automatically we do the same.

Mr. SMITH (*Hastings-Frontenac*): With respect to the recognition of China, Mr. Argue knows the United Kingdom did that some years ago and while I can only say the matter with respect to the recognition of China is under constant consideration, if and when that decision is made to recognize China, it will be taken as an independent action by the Canadian government for which the Canadian government will be entirely responsible.

Mr. ARGUE: There will be no pressure from the United States in any way, shape or form?

Mr. LENNARD: He said that.

Mr. ARGUE: I am asking whether there has been any pressure from the United States in any way, shape or form in regard to the recognition of China?

Mr. SMITH (*Hastings-Frontenac*): I can say there has not been any pressure.

Mr. PEARSON: Has there been any pressure on the United States from Canada in regard to this matter?

Mr. ARGUE: How could there be when we do not recognize China?

Mr. JONES: I do not see the connection between Mr. Pearson's question and your statement.

Mr. SMITH (*Hastings-Frontenac*): They are two sides of the same coin.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: I am sorry I was not here earlier. Had the minister said whether they recognize the new government of Iraq?

Mr. SMITH (*Hastings-Frontenac*): No. I just read from a press dispatch. It is not without significance that Iran, one of the members of the Bagdad pact, after the meeting in London, has recognized the new government.

Mr. PEARSON: Is it not true, Mr. Chairman, that this matter will come to a head very soon as far as the Canadian government is concerned, perhaps at the next meeting of the Security Council, when some action will have to be taken with regard to the Iraqi representative?

Mr. SMITH (*Hastings-Frontenac*): That would be a difficult problem to leave unresolved in view of the possibility of a special meeting of the Security Council to which I referred yesterday.

Mr. ARGUE: Would the minister care to comment on the headlines in the early morning papers and also this afternoon's papers, under dateline Washington, that the United States and the United Kingdom are likely to suggest a summit meeting between August 10 and August 15. I would like to know whether Canada is being kept informed as to the United Kingdom and the United States attitude with regard to setting the dates for such a summit meeting and the conditions surrounding such a meeting?

Mr. SMITH (*Hastings-Frontenac*): Only this morning we have been in communication with Mr. Hammarskjöld, the Secretary General, and the State Department with respect to the reply that the United States and the United Kingdom might make. It would not be desirable for me at this particular time, or fitting or helpful for me to comment at this time with respect to the contents of those notes. I have nothing to add to what I said yesterday.

Mr. VIVIAN: Referring to the estimates, in view of the Minister's statement of yesterday that increased representation of Canada in the Middle East was about to take place, is this amount of money sufficient for the purpose and if not how would it be added to? In respect of item 85 "departmental administration", you are enlarging your representation for the Middle East. Will the money in the estimates be sufficient and if not how would you add to it?

Mr. LEGER: The whole problem of the administration of the department will come under discussion whenever this committee has seen fit to call it after the minister is finished.

The CHAIRMAN: It will come under items 86 and 87.

Mr. LEGER: And when we deal with that particular item, your question would be very relevant. The short answer to that question is no.

Mr. PEARSON: No money.

Mr. SMITH (*Hastings-Frontenac*): In the meantime, will the members of the committee pray for us when we appear before the treasury board.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: Mr. Chairman, perhaps I have not so much a question as an interrogatory observation or two to make. In regard to the proposed summit meeting which the minister was good enough to inform us about yesterday—and my observation arises from the fact that this proposed meeting seems to be getting into a state of complication and confusion—it is only my own view but I feel now that if the Security Council could only meet very quickly, even without the heads of government, and take the action through its regular representation, which the minister pointed out yesterday is desirable in regard to the agenda and the forum of heads of state meeting to follow the full Security Council, it might be a way out of some of this confusion. I am wondering whether the minister would not agree that if this smaller group is to be set up to meet in private, and as he said yesterday that seems to be the best way to do it—and as far away as possible from the floodlights of publicity; would it not be desirable for this discussion in this small group to consider not only the immediate crisis but a program for the Middle East and refer back then to the Security Council its views in regard to such a program, or indeed set up a committee of experts to follow through. The minister mentioned these things yesterday.

I had in mind that this program, which could at least be initiated by this smaller group of top men, would include an economic plan, which has been mentioned by the minister, and which would certainly have to include some solution of the refugee problem, a plan for security guarantees, not only for Lebanon although that may be the place to start, but perhaps a wider plan

than that which would cover only one country, and also a plan for control of arms shipments into the area. In respect of that third point, the control of arms shipments, could the minister give us any information as to what Canadian policy is on that particular matter?

Mr. SMITH (*Hastings-Frontenac*): Perhaps it was before Mr. Pearson came in that I expressed the hope that we would not be too specific today in respect of the agenda and how the meeting of the major powers could be set up. I said that not to mislead or to keep information away from this committee, but in order that negotiations which are going on today very intensively can be assessed. I do expect that tomorrow there will be a significant development.

In respect of some of the matters to which Mr. Pearson has referred, I can only use this expression, that I used to play a game called, "Button, button, who's got the button?" After the button was hidden one of the participants in the game got near the hidden button—or it may have been a thimble—and someone would cry out "Getting warmer, warmer, warmer." That is the only observation I can make in that respect at this time.

With reference to the export of military supplies to the Near East, exports by Canada of arms to the sensitive areas, of which the Near East is a very obvious example, are considered by the Secretary of State for External Affairs or the minister acting for him in his absence, or the cabinet, when an export permit so warrants. Since last August no shipments of arms have been permitted to go forward to any country in the Near East. Indeed, the only shipment of military supplies which has been made for which an export permit was required and granted this year was \$680.65 worth of miscellaneous radio equipment sold to Israel.

That is the present policy of the government with regard to shipments to this sensitive area.

Mr. ARGUE: With regard to Mr. Pearson's very interesting three-point program, do you not think there should also be a fourth point dealing with free elections and to provide a greater measure of democracy in this area.

Mr. PEARSON: Do I have to answer questions, Mr. Chairman?

Mr. ARGUE: Maybe this would avoid the Americans going in there?

Mr. JONES: I do think, subject to the desire of the other members to pursue this question of the Middle East, as it is a situation in which events are changing so rapidly, and views are being formed on one side or the other, perhaps it is not too useful at this time to try to pin these various points down further. There are many topics which I am sure all the members of the committee wish to discuss and have the views of the government on in relation to external affairs. Perhaps we might pass on to some other topic.

Mr. SMITH (*Hastings-Frontenac*): With regard to Mr. Argue's observation, I would merely take it up in the one context which we were discussing yesterday and which I considered in the house last Friday, that is the stabilizing of the situation in Lebanon. We talked about the independence and security of Lebanon. To my mind independent security and political stability in Lebanon involves free elections.

I hope that there will be the developments which we anticipate at the moment in respect of the Middle East question. If there are, I will be prepared to make a further statement to the committee in the light of those developments if they come about by Friday. There were other aspects raised yesterday, Mr. Chairman, in respect of the neutrality of Lebanon and in respect of economic assistance in the Middle East and other topics—I am thinking particularly of the possibility of holding the summit meeting—which I suggest we stand over until Friday.

Mr. PEARSON: I am quite agreeable to have anything stand over until Friday. I think our interest in this problem is a natural one. The minister devoted, and quite rightly, most of his statement yesterday to the middle east, and I think it is quite understandable that we should try to follow up what he said by some further questions. All he has to do is to tell us if some particular question is embarrassing at this particular moment and it can be dropped.

Mr. SMITH (*Hastings-Frontenac*): It is only with relation to the plans for holding the meeting and the negotiations which are going on today.

Mr. SMITH (*Calgary South*): May I ask the minister if, in view of his comprehensive statement in the house, in respect of Jordan and the Middle East as a whole, and also his comment yesterday about the importance of improving our own representation in certain areas of the Middle East, does he feel that perhaps we have been late in getting information into this area, and in fact into the entire western hemisphere, and that we have had too little information too late, having regard to the quality of the representation which we had hoped to place in Iran, or in Israel or in Lebanon?

Mr. SMITH (*Hastings-Frontenac*): I must answer, yes; we have not had, on our own, the information which we would have desired during the past ten days.

Mr. PEARSON: The statement turns on that point. Would the minister not also agree there have been times when we have got the least information from the places where we have the strongest diplomatic representation?

Mr. SMITH (*Hastings-Frontenac*): I will not admit that

Mr. SMITH (*Calgary South*): I was not thinking, necessarily, of diplomatic representation. That is very often one of the slowest sources, as I understand it. Let me reword that. I am suggesting, sir, that often the information made available to us which comes through other channels comes through faster than through the ordinary diplomatic channels.

Mr. SMITH (*Hastings-Frontenac*): That comes through the newspapers.

Mr. HERRIDGE: According to the newspapers the Americans were caught flatfooted in respect to the sudden turn of events in Iraq.

Mr. SMITH (*Hastings-Frontenac*): And the United Kingdom.

Mr. HERRIDGE: Was the Canadian government's intelligence and diplomatic corps much superior?

Mr. SMITH (*Hastings-Frontenac*): We have not any representation in Iraq. That is one escape clause which is valid.

Mr. HERRIDGE: We had no information in respect of developments?

Mr. SMITH (*Hastings-Frontenac*): No advance with respect to Iraq.

Mr. LENNARD: You may have had information, but no representation?

Mr. HERRIDGE: The minister said no information. The minister is answering the questions.

Mr. SMITH (*Hastings-Frontenac*): No information. Even our intuition was no better than the intelligence reports.

I am prepared to assist the committee at this time in deciding upon the agenda for this afternoon. I am prepared to speak on the economic assistance for the Middle East and proposals for Lebanon's neutrality. I am also prepared to speak on certain facets of "disengagement".

Mr. HERRIDGE: I think we would be very interested to hear of the economic assistance to the Middle East.

The CHAIRMAN: Is it the wish of the committee that we proceed with the economic proposals?

Mr. PRATT: Before we go on to that I wonder if I can ask a question on the definition of the Middle East. Some of us were asking about it at lunch today. Apparently the French describe it as the Near East. I understand the Canadian Geographic magazine has described the Middle East as being India and Pakistan and if the eastern Mediterranean is the Middle East, then where is the Near East?

Mr. SMITH (*Hastings-Frontenac*): I will leave this to the expert, Mr. Leger. ...and the division bells ringing...

Mr. PRATT: Saved by the bell.

The CHAIRMAN: The meeting will stand adjourned until 9.30 on Friday morning.

"APPENDIX A"

UNITED NATIONS SECURITY COUNCIL S/4029—16 June 1958

Report by the Secretary-General on the Implementation to date of the Resolution of the Security Council of 11 June 1958, on the Complaint by Lebanon

1. The resolution by the Security Council of 11 June 1958, on the complaint by Lebanon, requests the Observation Group authorized by that resolution "to keep the Security Council currently informed through the Secretary-General". The Observation Group, two of whose members have not yet arrived in Lebanon, will hold its first meeting in Beirut this week, probably on the nineteenth. As no information may be expected from the Group prior to that date, this report is submitted as an interim measure, to inform the Security Council of the steps that have been taken to date by the Secretary-General, under the authority given to him, toward implementing its resolution.

2. The three members of the Observation Group have been appointed. They are: Mr. Galo Plaza of Ecuador, Mr. Rajeshwar Dayal of India and Major-General Odd Bull of Norway. The Observation Group will constitute itself and determine its own procedures. Military officers in the capacity of Observers are assisting the Group. Major-General Bull has been designated as "Executive Member of the Observation Group, in Charge of Military Observers". Major-General Bull arrived in Beirut early on the morning of the fifteenth, Mr. Plaza is scheduled to arrive on the seventeenth, and Mr. Dayal is expected on the same day.

3. On 11 June, I appointed Mr. David Blickenstaff as Secretary of the Observation Group, and Mr. Shiv K. Shastri as Assistant Secretary. Mr. Blickenstaff arrived in Beirut on 12 June and Mr. Shastri on 14 June. In the days immediately following, the operation has been provided with the secretariat staff required. The United Nations Relief and Works Agency for Palestine Refugees in the Near East, from the beginning, on an emergency and temporary basis, has readily afforded all necessary administrative assistance and other co-operation. This has in no way involved an association of UNWRA with the operation. The Headquarters of the Group was established in a Beirut hotel, close to its telecommunications facilities, where all of the staff members, including the Observers, are housed.

4. On 11 June, I requested the Chief of Staff of UNTSO, Major-General von Horn, to afford temporary assistance toward the execution of the Security Council's action by detaching ten United Nations Military Observers from UNTSO duty to the Observation Group operation in Lebanon, five of whom were to arrive on the twelfth and another five not later than the fourteenth, under the command of an officer of sufficient rank. The first five military observers arrived in Beirut on the afternoon of the twelfth and a second group of five arrived there on the afternoon of the thirteenth. They are under the command of Lieutenant Colonel W. M. Brown. On 14 June, the Chief of Staff in Jerusalem agreed to provide another five United Nations Military Observers.

5. The United Nations Observers, in vehicles painted white with United Nations insignia, began active reconnaissance on the morning of 13 June in Beirut and its environs. Officials of the Group in Beirut, from the beginning, requested of the Lebanese authorities that the United Nations Observer teams

be accorded complete freedom of movement throughout Government-held areas. Beirut Headquarters informs us that in a few initial trips "of uncertain and dangerous nature", pilot jeeps manned by Lebanese troops have been used to check roads half an hour in advance of the UN teams and half an hour behind them. The Observer teams have in each subsequent instance proceeded without pilot vehicles. We are also advised that the initial purpose of the patrols and road reconnaissances have been to have United Nations Observers and vehicles appear in as many areas as possible as soon as possible. In consequence, the UN Observer teams have covered most main road areas in Government-held regions, and have reached and entered areas not held by Government forces. The Observer teams are now working according to a schedule, and the plan being followed is to have them probe further each day in the direction of the frontier. Their observation task in connexion with any "illegal infiltration of personnel or supply of arms or other material across the Lebanese borders" is greatly complicated by the fact, as reported by the Observation Group Headquarters in Beirut, that only a small part of the total frontier appears to be controlled by Government forces. The Observer teams are composed of two Observers, each with a radio-equipped vehicle, and one radio officer with a communication jeep. The three members of the team in their vehicles operate in a convoy at safe intervals and keep in constant communication with each other.

6. As of the fifteenth, the Observer teams had proceeded as far as Tripoli, Baalbec, the Syrian border on the main Beirut-Damascus road, Marjayoun and Rashaya, some places having been visited several times and some twice daily. The immediate aim, we are informed, is to establish field stations; one to be at Tripoli, for the northern border areas, in the expectation that freedom of movement will be obtained in the area not under the control of government forces; one in the Baalbec area, and one at Marjayoun. From each of these places the Observers are attempting to proceed into the frontier areas. In the initial and unavoidably hazardous stage, it has been of great value to have the services of the experienced Observers of UNTSO. It is reported that so far the UN Observers have generally met with a good reception, particularly in Beirut.

7. Communication and transportation for the immediate needs are adequate but will have to be considerably expanded. The operation thus far has received from UNTSO fourteen jeeps, thirteen of which are radio-equipped, and a Military Observer-Base radio system, which has been in operation since 13 June. For communications beyond Lebanon, UNTSO radio facilities in Beirut are employed.

8. On the basis of a careful assessment of needs by the members of the operation now in Beirut, and in view of the planned method of operation of the Observers, as described above, the number of military observers is being increased to one hundred, and an urgent request has been made of fourteen Governments to provide officers for the purpose.

9. Immediately upon arrival in Beirut, the UN representatives in the operation, both civilian and military, established contact with the appropriate Lebanese authorities with a view to facilitating its work. The Lebanese Government has designated a Minister to be in charge of relations between the Government and the Observation Group, and has set up a five-man commission to assist in this purpose, as indicated in the letter of 15 June from the Prime Minister of Lebanon to Major-General Bull (Annex I).

10. The status of the UN Observation Group in Lebanon, its privileges and immunities, etc., has been defined in a letter of 13 June from the Secretary-General to the Foreign Minister of Lebanon (Annex II).

11. Members of the operation have indicated from Beirut the need for a small number of light aircraft of reconnaissance type, together with helicopters. Steps have been taken to meet this need.

12. In view of the urgency of the situation in Lebanon, I considered that it would involve an unwarranted loss of time to request the three members of the Observation Group to assemble in New York prior to their arrival in Lebanon. For only one of them was it convenient to visit UN Headquarters en route. The other two were to proceed directly to Beirut. In view of all the circumstances, and the character of the task of the Observation Group, I have decided that I should give assistance to the Group by being present when the three members assemble in Beirut and attending the Group's first meetings there.

ANNEX I

*Letter of 15 June from the Prime Minister of Lebanon
to Major-General Odd Bull*

I have the honour to inform you that the Lebanese Government at a meeting held on June 12, 1958, has taken a decision nominating His Excellency Dr. Albert Moukheiber, Minister of Health, as Minister in charge of relations between the Government of Lebanon and the United Nations Group of Observers.

A commission has also been formed to assist Dr. Moukheiber in the fulfillment of this mission, composed of: Emir Farid Chehab Director General of the Surete Generale, Edward Chorra, Director of International Relations in the Ministry of Foreign Affairs, Captain Francois Ginadrh, Representative of the Lebanese Army Headquarters, Mr. Raja Hamady, Representative of the Ministry of Finance.

The mission of this Commission is to take all necessary measures to facilitate the task of the U.N. Group of Observers and to supply said Group with all information coming to the knowledge of the Lebanese Government about the infiltration of arms and armed men and other material from across the Lebanese border and to assure the contact between the various sections of the Lebanese Administration and your Group.

The Office of this Commission will be in the Ministry of Foreign Affairs. I would be very grateful if you would channel all communications with the various departments of the Lebanese Government through this Commission which stands ready at all times to answer your requests and to facilitate your work.

ANNEX II

*Letter of 13 June from the Secretary-General to the Foreign Minister
of Lebanon concerning the Status of the United Nations
Observation Group in Lebanon*

His Excellency Dr. Charles Malik,
Minister for Foreign Affairs.

Sir,

I have the honour to refer to the resolution of 11 June 1958, by which the United Nations Security Council decided to dispatch urgently an "observation group to proceed to Lebanon so as to ensure that there is no illegal infiltration of personnel or supply of arms or other material across the Lebanese borders", and authorized the Secretary-General to take the necessary steps to that end.

In view of the special importance and difficult nature of the functions which this Observation Group will perform, I would propose that, with the operation as now envisaged, your Government might agree to extend to the Observation Group consisting of three senior members, the United Nations military observers and the United Nations Secretariat—over and above the status which they enjoy under the Convention on the Privileges and Immunities of the United Nations—the privileges and immunities, exemptions and facilities which are enjoyed by diplomatic envoys in accordance with international law. The privileges and immunities necessary for the fulfilment of the functions of the Observation Group also include freedom of entry, without delay or hindrance, of property, equipment and spare parts; freedom of movement of personnel, equipment and transport; the use of United Nations vehicle registration plates; the right to fly the United Nations flag on premises, observation posts and vehicles; and the right of unrestricted communication by radio, both within the area of operations and to connect with the United Nations radio network, as well as by telephone, telegraph or other means.

It is my understanding that the Lebanese Government will provide at its own expense, in agreement with the Representative of the Secretariat, all such premises as may be necessary for the accommodation and fulfilment of the functions of the Observation Group, including office space and areas for observation posts and field centres. All such premises shall be inviolable and subject to the exclusive control and authority of the Observation Group. I likewise understand that your Government will in consultation with the Observation Group provide for necessary means of transportation and communication.

If these proposals meet with your approval, I should like to suggest that this letter and your reply should constitute an agreement between the United Nations and Lebanon, to take effect from the date of the arrival of the first members of the Observation Group in Lebanon.

Accept, Sir, the assurances of my highest consideration.

DAG HAMMARSKJOLD
Secretary-General.

APPENDIX "B"

UNITED NATIONS SECURITY COUNCIL

S/4038—28 June 1958

Further Report by the Secretary-General on the Implementation of the Resolution of the Security Council of 11 June 1958 on the Complaint of Lebanon

1. This progress report *on implementation* of the resolution of the Security Council of 11 June 1958, on the complaint of Lebanon, is further to my first such report of 16 June (S/4029). It is submitted by the Secretary-General, but is based on information received from the Beirut Headquarters of the United Nations Observation Group in Lebanon. The Observation Group itself has in preparation a first report *on findings*, in discharge of its responsibilities under the Security Council resolution, and this may be expected before long.

2. With the arrival of Mr. Rajeshwar Dayal in Beirut on 18 June, the organization of the Observation Group was completed. On that date, the Group met informally and was briefed by its Secretary on developments since the arrival in Beirut of the first Secretariat members and Military Observers on 12 June. At the same time, attention was also given to administrative arrangements and the activities of the Military Observers.

3. On 19 June, the Group held a further informal meeting, with the Secretary-General presiding. Later the same day, it held its first formal meeting and organized its work. At this meeting, Mr. Galo Plaza was designated Chairman of the Group. The first meetings of the Group were devoted to an exchange of views on the methods and procedures which it would follow in carrying out its mandate with regard to illegal infiltration of personnel or supply of arms or other material across the Lebanese borders, under the resolution of the Security Council, and in keeping the Security Council "currently informed through the Secretary-General". The Secretary-General was in close consultation with the Group throughout his stay in Beirut.

4. As of 26 June, ninety-four officers from eleven countries were serving as Military Observers in Lebanon. They have established a regular patrolling system of areas accessible and, since the implementation report of 16 June have advanced further into areas outside Government control. Areas being regularly patrolled by the Observer teams are the following: around Tripoli and south of that city; the coastal road from Naquora to Demour, and roads branching off toward the interior; the Marjayoun area; the Chtaura area and northeast beyond Baalbec; the area north and east of Beirut and south of the city, except in the vicinity of Beit El Dine.

5. Observer outstations have been established in the following areas: Tripoli (with a sub-station at the Cedars), Chtaura, Zahle, Marjayoun, Saida, and at Saghbine southeast of Beirut. From these outstations, patrol activities are extended into the surrounding countryside. Outstations in several other places are now being established or are under consideration.

6. In visiting areas outside Government control, the Observers have met local leaders and have discussed with them freedom of movement in the Bekaa area north of Baalbec, the Chouf area south of Beit El Dine, and the area north of Tripoli. It was reported from the headquarters of the Group on 25 June that

for the time being further efforts at moving deeper into such areas were deferred at the following main points: the area north and northeast of Tripoli (where firing is in close vicinity and the roads are mined), the Beit El Dine area, and the north Bekaa area.

7. The basic items of equipment for the Observer teams are transport and communications, and arrangements have worked well for the delivery of jeeps and supporting transport at a rate compatible with the arrival in the area of the Military Observers. Thus, as of 26 June, there were seventy-four vehicles to ninety-four Observers. A fully operating radio communication system has been installed for contact between UNOGIL Headquarters, Observer outstations and jeeps circulating within the area assigned for observation.

8. At the request of the Group, United Nations Headquarters has obtained two small helicopters. The helicopters arrived in Beirut on 23 June and, with Norwegian pilots, are now in operation. Four light observation planes have also been requested and will be on hand soon. These, as the helicopters, will be used solely for aerial observation in pursuance of the Group's task under the Security Council resolution. The Governments of neighbouring countries have been notified by the Secretary-General of these observation flights over Lebanese territory in the proximity of the borders.

9. Arrangements have been made by the Group for receiving from the Ministry in charge of relations between the Government of Lebanon and the Group, written communications on cases which the Lebanese Government desires to bring to the attention of the Group. The Group in turn submits these to independent study through its own means and in the light of supporting evidence provided. The Group has received information concerning prisoners, said to be Syrians, taken by Lebanese authorities. Such prisoners, when made available to the Group, are being interrogated by the Executive Member of the Group, Major-General Bull, with the assistance of qualified Military Observers, concerning matters covered by the Security Council resolution.

10. Since the previous report on implementation, additional personnel have been added to the Secretariat of the Group and the basic staffing requirements for the secretariat and administrative services to meet the needs of an operation involving one hundred Military Observers are about to be completed. The Headquarters of the Group continues to be located in the Biarritz Hotel in Beirut, although consideration is being given to the acquisition of new quarters in that city affording more adequate physical conditions.

APPENDIX "C"

UNITED NATIONS SECURITY COUNCIL

S/4040—3 July 1958

First Report of the United Nations Observation Group in Lebanon

Submitted through the Secretary-General in pursuance of the resolution of the Security Council of 11 June 1958 (S/4023)

1. By its resolution adopted at its 825th meeting, held on 11 June 1958, the Security Council decided "to dispatch urgently an Observation Group to proceed to Lebanon so as to ensure that there is no illegal infiltration of personnel or supply of arms or other material across the Lebanese borders". The present document is the first report of the Observation Group submitted pursuant to the Council's request that it "keep the Security Council currently informed through the Secretary-General". However, the Group has been in daily contact with United Nations Headquarters in regard to its task.

2. The Observation Group was fully constituted in Beirut on 19 June 1958 as follows: Mr. Galo Plaza (Chairman), Major-General Odd Bull (Executive Member), Mr. Rajeshwar Dayal (Member).

3. The first meeting of the Group was convened in Beirut on 19 June 1958 by the Secretary-General. After election of its Chairman, upon the proposal of Mr. Dayal, and after confirmation of the designation of Major-General Bull as Executive Member in charge of Military Observers, the Group agreed upon the methods and procedures for the conduct of its business. It then immediately turned its attention to the urgent questions connected with the placing in the field as rapidly as possible of military observers who were arriving in Beirut in increasing numbers, and with the means by which the mandate from the Security Council could most effectively be translated into action.

Problems of Observation

4. The Observation Group, in its examination of these questions, had necessarily to take into account the particular circumstances under which its task was to be carried out and careful study was given to a variety of factors relating to the situation.

5. It was learned that of the total land frontier with Syria, of some 278 kms. in length, only 18, lying on either side of the main Beirut-Damascus road, remained under the control of the Government forces. The Observation Group had been assured by the Lebanese Government that the Group would be accorded free access to the areas under Government control. No formal assurances from any quarter were offered to the Group with regard to access to territory not under Government control, nor were such assurances sought by the Group. Inasmuch as the areas to be observed by the Group in accordance with the mandate from the Security Council would necessarily include the border zones, the question immediately arose as to how the Group could fulfil its functions in these zones where its right to engage in observation activities had not been formally or implicitly recognized.

6. Another major factor which would inevitably influence the means to be employed was the nature of the terrain in the frontier regions. The eastern

frontier runs roughly from north-north-east to south-south-west along the mountainous formations of the Anti-Liban and the Hermon which attain heights of 2,400 to 2,800 metres respectively. Main roads of communication on the Lebanese side of this chain of mountains run parallel to it in the Bekaa valley, the sole exception being the Beirut-Damascus road which crosses the Bekaa from the north-west and passes between the Hermon and the Anti-Liban highlands. Thus physical accessibility to the border by road is considerably restricted in the area lying between the frontier itself and the main roads running the length of the Bekaa valley. This is an area which ranges from approximately 10 to 25 kms. in width.

7. The northern frontier lies in a broad plain. However, access by land from the Lebanese side is by the coastal highway running north-east from Tripoli towards Homs. There are no roads connecting this northern border area with the north Bekaa valley. Thus, the northern border can be reached only through the area north of Tripoli, an area now under the control of the Opposition forces.

8. The remaining frontier of concern to the Observation Group is the sea coast of some 220 kms., along the full length of which runs a main highway from Harida in the north to Nokoura in the south. It will be seen, therefore, that the areas of primary concern to the Observation Group are those where the problems of accessibility are the greatest, both from the standpoint of topography and of obtaining freedom and security of movement.

9. The Observation Group has given its most careful consideration to another condition which has a bearing on its observation activities within Lebanon and particularly in the border areas referred to above. The existence of a state of conflict between opposing armed forces in a territory to which an independent body of observers seeks free access throughout imposes upon that body an attitude of discretion and restraint if the express or tacit acceptance of its presence is to be obtained from those exercising authority or effective control on different sides in the conflict. The Observation Group is fully conscious of the fact that its methods of observation and its use of the information it receives must duly reflect the independent character of its status and its complete objectivity and impartiality in relation to the present conflict.

10. In this connexion it would be relevant briefly to outline the situation in regard to the present state of the conflict, in so far as it concerns the functions of observation with which the Group is charged. In Beirut, Tripoli and Saida, sections of the city lie behind barricades, and are normally inaccessible to observation, except under previously negotiated arrangements. In all these towns, intermittent clashes have been occurring. The area to the north of Tripoli, stretching to the border, has been the scene of some hostilities, and a similar situation prevails in the region to the north of Baalbek. In the south and south-east, armed clashes are taking place, while the Chouf area, to the south-east of Beirut, is under the complete control of opposition elements.

11. An additional factor which the Observation Group feels it should take into account in its activities and in its reporting on observations, concerns the nature and location of the populations which live along the border regions, particularly in the eastern zones, and the traditional freedom of association which has existed for centuries among certain peoples living in areas now lying on both sides of the frontier. Moreover, persons could move freely across the frontier merely on the presentation of identity cards and did not require passports and visas. In some areas a tribal structure of society is prevalent which creates bonds of identity within ethnic groups, the realities

of which are in some cases not diminished by the existence of a political frontier, the demarcation of which is, in some places, the subject of disagreement or uncertainty. The peoples of these areas have traditionally borne arms, and habits of mutual assistance in peaceful as well as in troubled times have been regarded as a normal expression of tribal solidarity. There are some other areas also where the border is not clearly demarcated or recognized. Furthermore, throughout the country the possession of arms is common practice, in spite of governmental efforts in the last few years to curb such habits through licencing, which has not been properly enforced. The methods employed by the Observation Group in carrying out the mandate from the Security Council must be directed toward the explicit purposes of observation and reporting for which the Observation Group was established. The Group is of the opinion that the above facts require it to pursue its activities with particular vigilance and care in order that its mandate may be fulfilled with accuracy and thoroughness.

12. All the factors described above have been carefully considered by the Group in so far as they have a bearing on its functions, and have been kept in mind in making evaluations of the observation reports received.

Methods adopted

13. The work of the mission has developed in three natural stages. In the first stage a force of military observers was rapidly assembled and instructed, and the necessary material was procured. In the second, an analysis of the prevailing situation was made and, on the basis of an assessment of possible needs, additional men and material were assembled. This phase has now been virtually completed and the final stage—when the Group can operate at its planned strength—is about to commence.

14. In the preparatory stages the scope of the mission necessarily developed in relation to the inflow of personnel and material, but the methods which were initially adopted have remained basically unchanged. These methods may be summarized as follows:¹

- (a) Regular and frequent patrols of all accessible roads are carried out from dawn to dusk, primarily in the border districts and in the areas adjacent to the zones held by opposition forces. The patrolling is done by observers travelling in white jeeps, with UN marking, equipped with two-way radio sets.
- (b) A system of permanent observation posts has been set up, where groups of military observers are stationed.² These posts are in continuous radio communication with headquarters in Beirut, with each other, and with the patrolling jeeps. There is now a total of ten such observation posts placed at strategic positions all over the country. Their location has been determined by the need for stations to be as close as possible to the dividing line between the opposing forces, as near the frontier as possible, or at points commanding supposed infiltration routes or distribution centers. The observers manning these stations attempted to check all reported infiltration in their areas, and to keep track of any suspicious development.
- (c) An emergency reserve of experienced military observers has been formed at headquarters and at the main observation posts; they are available at short notice for the purpose of making inquiries or they may be detailed to places where particular instances of smuggling of arms may be reported.

¹ See Annex C—Map showing (1) Headquarters and outstations; (2) opposition controlled areas; (3) possible infiltration routes.

² See Annex A—List of outstations.

- (d) An evaluation team has been set up at headquarters, composed of specialized observer personnel, whose task is to analyse, evaluate and co-ordinate all information received from observers and other sources.
- (e) Recently a new form of observation has been added, namely, aerial reconnaissance. Two helicopters are already in action, four light planes have just arrived and another four are expected soon. These will have aerial photography capability, and will be in radio communication with headquarters and military observers in the field. The aeroplanes will do regular patrol duty, but will also be directed to perform special tasks in co-ordination with the ground personnel, as the need arises.
- (f) A special procedure has been established in order to utilize the information which the Lebanese Government possesses about suspected infiltration. The Government thus sends frequent reports about such alleged infiltration to the Group, which immediately deals with each case as conditions require. The majority of these communications contain statements regarding alleged infiltration incidents, routes and methods. Instructions have, wherever appropriate, been issued to the observers for the maintenance of special vigilance within the areas in question. In other cases the Group has requested, through the Executive Member of the Group, that the military observers inquire into the matter. Either final or preliminary reports have already been received from military observers or are awaited. In some cases the Observation Group has requested further clarification by the Government in order to determine whether useful action by the Observation Group may be taken. Some of the communications refer to events which are said to have taken place before the establishment of the Observation Group and which have no bearing on situations likely to become the object of the Group's proper concern. Others relate to events falling wholly within the framework of the internal conflict between the governmental authorities and opposition groups or supporters, and having no *prima facie* relationship to questions of infiltration. Information of a general character is contained in many of the communications. Though specific action is not possible on them, they constitute for the Group a possible source of background information.

15. In paragraphs 4 to 11 above, some of the problems facing the Group have been outlined, and in particular the difficulties of approaching the eastern and northern frontiers. The group has from the very beginning attempted to overcome this difficulty, with varying degrees of success. Where the frontier is controlled by opposition forces, the obtaining of free passage and safe-conduct throughout the area in question is in practice a prerequisite for effective observation in that area. Such passage can only be granted by the particular opposition leader in that district and has so far not been forthcoming. Steps have been taken to assure regular access to such areas, and it is to be hoped that the opposition leaders will grant the necessary safe-conducts for the observer patrols.

16. In spite of the attitude of opposition leaders, the military observers have repeatedly entered opposition zones without these assurances and in some cases penetrated right up to the eastern border. They have thus been able to reach such points as Abde in the north, El Kah and Arsaal in north Bekaa, Deir el Aachayar in central Bekaa, and Chouaya in south Bekaa. But their successes have been sporadic, and the dangers involved in these expeditions are con-

siderable. Efforts have been made by the opposition leaders to ward them off, and the observers have repeatedly been stopped altogether. However, in the Chouf area, limited free passage has been obtained, and as of 2 July full freedom of access to the area north of Tripoli and to the border has been offered to the military observers by the local opposition leader.

17. The immediate plans of the Observation Group include the following features:

- (a) The network of observation posts will be considerably strengthened by the addition of several new stations. These will be placed as close as possible to the border line between the Government-held area and the opposition zones in the north and the east, and hence as close as possible to the frontier.
- (b) Further efforts will be made to gain assured access to the opposition zones, and wherever such access is granted, the outposts in that area will immediately be pushed towards the frontier.
- (c) Aerial photographic reconnaissance will be employed in an increasing measure, and the border areas will be patrolled by aircraft.
- (d) Steps to increase observation activity at night are under study.

Observations

18. Having given a descriptive account of the nature of our task and the circumstances in which it has to be performed, and the methods that have been adopted to perform it, it will be evident that the task of the Group is one of considerable complexity.

19. The group has received a large number of daily reports from its observer patrols, which it has examined most carefully and has made its evaluations. It would like here to record the result of such examination and evaluation.

20. Its patrols have reported substantial movements of armed men within the country and concentrations at various places. For example, they have penetrated deep into the headquarters of one of the opposition leaders right up to the village of Deir el Aachayer close to the eastern border. They were escorted by armed men and they established contact with the opposition leader and met his followers. In the area of Rachaya, its patrols have frequently come across armed groups. In Baalbek and to its north, groups of armed men have been seen. South of Baalbek land mines have been found in territory not held by the opposition. North of Baalbek observers have established contact with the local opposition leader and seen some 200 of his men. Still further north at Zghortah observers have been on the fringe of opposition-held territory and seen some arms and other material in use. In the Chouf region one observation group has visited the headquarters of the opposition leader and established contact with him. In this region again, large groupings amounting to several hundred armed men were seen.

21. The arms seen³ consisted mostly of a varied assortment of rifles of British, French and Italian makes. Some hand grenades were also seen at various places. Occasionally, opposition elements have been found armed with machine guns. Mines seen near the Baalbek area were of British and French makes. It has not been possible to establish from where these arms were acquired but in this connection the remarks contained in paragraph 11 of the report should also be borne in mind. Nor, was it possible to establish if any of the armed men observed had infiltrated from outside; there is little doubt, however, that the vast majority was in any case composed of Lebanese.

³ See Annex B for a detailed list of opposition weapons seen and armed groups observed.

22. There has been considerable mortar firing in the Marjayoun area. From observations the firing came from the vicinity of Halta, 2.4 kilometres inside the Lebanese border near the border of Syria and was directed at El Khiam and Marjayoun. The mortars used are 120 mm and are of a French type also used by the Lebanese Army. Such firing has been reported as follows:

- (a) On 23 June at 1945 LT 6 rounds 120 mm mortar were fired on El Khiam.
- (b) On 26 June at 1930 LT, 8 rounds 120 mm mortar were fired on Marjayoun; and four 120 mm mortar rounds on El Khiam. This firing was observed by United Nations military observers.
- (c) On 26 June at 23.30 till 23.50 LT, 10 rounds 120 mm mortar were fired by three mortars on El Khiam. This firing was observed by United Nations military observers.
- (d) On 27 June at 0100 LT, 6 rounds 81 mm mortar were fired on El Khiam. In addition, during the night of 24/25 June, heavy mortar fire was directed on Tripoli.

23. Observer teams have on occasion experienced difficulty in penetrating opposition-held territory and there are cases where the local inhabitants have made it obvious that they do not welcome observers in the area. The teams have by perseverance managed to allay fears and gain the confidence of the local population by a strictly independent display of impartiality. However, two leaders, Mr. Jumblatt of the Chouf, and Mr. Haidar of Central Bekaa have so far both politely indicated that they do not want observers acting in their official capacity. Both men stated that this was a matter of principle, since they were involved in an internal conflict, with which the United Nations had no concern.

24. The observer teams have experienced difficulty in the following areas:

- (a) North of Tripoli and south-west of Tripoli adjacent to Zghorta;
- (b) The Bekaa valley north of El Laboue;
- (c) Baalbek and areas to the east;
- (d) The Rachaya and Saghbine areas in south Bekaa.

25. In all these instances, the observer teams appear to have touched upon sensitive spots which are in areas claimed by government sources to be supply and infiltration routes.

26. The obstructive tactics have taken the following forms:

(a) *Firing*

Firing in the vicinity of patrols of military observers has occurred in several instances at Zghorta, Rachaya and Saghbine. There have been several instances of armed persuasive methods being used in a mild way.

(b) *Mining of roads*

The mining of roads is a recent innovation and has occurred primarily in the Bekaa valley where observers could be astride of routes which could lend themselves to infiltration. For example, on 24 June, observers saw mines on the Marjayoun-Rachaya-Foukhar road at the western entrance to the latter town. Mines have also been observed on the Marjayoun-Fraidies road. On 25 June many mines of old British types were found by the Lebanese Army and were seen in situ by observers on the roadside between Rayak and Baalbek. The most serious incident took place on 26 June at 0615 LT when a UN jeep while on patrol struck a mine placed on a track by-passing a blown bridge some 2½ kms. north-west of Rachaya and an observer was injured. Altogether, the United Nations military observers saw 14 British mines of mk. II and mk. IV types, which were recovered from the soft track.

(c) *Destroyed bridges*

There are many destroyed bridges and culverts in the Bekaa area. However, since the commencement of United Nations patrolling on the Chtaura-Saghbine road and south towards Marjayoun, two incidents of significance have occurred. Bridges to the north and south of Saghbine have been blown up thus precluding the possibility of effective patrol. The United Nations Field Station there is now isolated to the north and south with access only from the east. The demolitions have been as follows:

- (i) On 17 June, a bridge was blown up near El Laboue;
- (ii) On 18 June, a bridge was blown up at Aim Zebde near Saghbine;
- (iii) On 22 June another bridge was seen blown up on Rayak-Bar Elias road;
- (iv) On 24 June Rachaya-Foukhar bridge was seen to be blown up;
- (v) On 27 June, a bridge was observed blown up on the road from Marjayoun to Rachaya. Other bridges have been repeatedly damaged by small charges.

By a letter dated 18 June 1958, the Lebanese Government Liaison Committee communicated to the Group "a preliminary report about the arrest of two Syrian subjects belonging to the Syrian armed forces". They were accused of having participated in terrorist activities in Beirut. They were further alleged to have acted on behalf of a supposed terrorist organization and to have thrown bombs near the Rivoli cinema and in El Khouri Street, and to have participated in an attack on El Ramal prison on 15 June.

The Group immediately made a verbal request for the production of the prisoners followed by a confirmation on 21 June. The prisoners were produced on 23 June and the interrogation took place on that day and the following day. The first prisoner, Mahmoud Abboud Ibrahim, an illiterate 21 years of age, described himself as a deserter from the Syrian Army who had come to Lebanon in March 1958 to earn his living as a fisherman. He added that he had been coming to Lebanon since 1952 for the same purpose. He denied having visited Beirut after the troubles started in May 1958, and claimed that while he was returning to Syria on 16 June, he was apprehended by the Gendarmerie near Tripoli and forced under pressure to make a statement admitting his participation in terrorist activities in Beirut.

The second youth, Ibrahim Muhamad Moussa Sulayman Haydar, aged 17, admitted that he was a Syrian and a friend of the first prisoner. He stated that he had accompanied his friend to Lebanon about three months ago and was earning his living as a fisherman about 20 miles from Beirut. When the trouble started, he alleges he was brought under pressure to Beirut and kept under surveillance at the house of a local opposition leader. He said that he was given two bombs which he placed as directed by a Lebanese organizer, but he denied operating the firing mechanism out of fear. He admitted to collaborating with his friend in the attack on the local prison when he had to carry a box of ammunition. He complained of having been beaten by the Gendarmerie after his apprehension on 16 June.

The Group has carefully considered the testimony of the two youths which, it is evident, is contradictory in material particulars. From such conflicting evidence, it is not possible to draw any firm conclusions in regard to the charges made against them. Not only are there numerous inconsistencies in the accounts given of their movements by the two youths, but there is also an absence of any supporting evidence. In the circumstances, the Group

must conclude that the complicity of these two persons in terrorist activities or their participation in acts of rebellion as members of an organized foreign terrorist group has not been established beyond reasonable doubt.

* * *

The Observation Group has described in this report the present status of its activities and observations. These will continue to develop along lines indicated above and further reports will be submitted, as occasion requires, to the Council on the implementation of its mandate. Estimates regarding the need of the Group for observers and supporting equipment are being kept under review and recommendations will be made in this connection as may be required.

ANNEX A

LIST OF OUTSTATIONS

Headquarters	Stations	Sub-Stations	Date established
Beirut.....			12 June 1958
	Tripoli.....		14 June 1958
		The Cedars.....	26 June 1958
	Chtaura.....		15 June 1958
		(1) Zahle.....	27 June 1958
		(2) University Experimental Farm 7 km. S.W. of Baalbek.....	29 June 1958
		(3) Btedai 7 km. N.W. of Baalbek.	30 June 1958
		(4) Saghbine 20 km. S.W. of Chtaura	25 June 1958
		(5) Rachaya midway between Mas- naa and Marjayoun.....	30 June 1958
	Marjayoun.....		14 June 1958
	Saida.....		20 June 1958
Total 1	4	6	

ANNEX B

LIST OF OPPOSITION WEAPONS AND ARMED GROUPS OBSERVED

According to observations made by United Nations Military Observers the opposition forces in Lebanon employ the following weapons:

I. SMALL ARMS

On a visit to Moukhtara United Nations Military Observers observed the following weapons used by opposition forces:

Machine guns:

One Bren Mk I (new)

One Hotchkiss 1926, with Arabic inscription and Turkish army badge

One Brevete SCDC, No. 2920, of which opposition forces at the spot said they had 32.

One Mle 1924 M 29, Italian or French

Sub-machine guns:

One Mosh Autom Beretta Mod 4 Cal 9 1955

One Sten

Rifles:

Several Mauser MOD 98

Several MAS Mle 1936, French

Several CS ST Zbrojovka BRNO; Czech.

Several rifles marked RE.

One Enfield 1915

One Garrand

Pistols:

About ten Browning 9 mm, Belgian, all new; usually worn by leaders

One pistol marked with a crown and 1917; with rather long barrel

One P 38

One revolver British Army type

Grenades:

Several "Ananas"

Some smaller grenades or bombs.

In other areas the following is observed:

ATK

Bazooka. Blindicide, Belgian. In use by opposition in Tripoli (shells observed on Gov. Territory by United Nations Military Observers)

Energa, Belgian. Directed against Masnaa.

II. MORTARS

81 mm. in use by opposition. Bekaa south

120 mm. in use by opposition in Bekaa south. Probably bases at Cheba and Mazraat Zebdine.

III. ARMED OPPOSITION FORCES

1. Chouf area

(a) Approx. 200 men in arms observed at Moukhtara on 23 June.

(b) On 28 June, United Nations Military Observers on patrol were escorted by armed opposition from Katermaya to 3 kms. south of Chim.

2. *Akkar area*

On 21 June, United Nations Military Observers were in contact with armed opposition (old rifles) at El Minie.

3. *Bekaa centre*

United Nations Military Observers have observed armed opposition in the area of Baalbek.

4. *Bekaa south*

On 25 June, United Nations Military Observers observed approximately one company uniformed Syrian soldiers on both sides of the road leading from Deir el Aachayer into Syria, in an area where the location of the border is under dispute and is not known to the local inhabitants. The opposition leader, however, proffered the information that the area concerned was generally considered Syrian.

In the area of Dei El Aachayer, United Nations Military Observers also observed approximately 1,000 armed opposition forces.

"APPENDIX D"

UNITED NATIONS SECURITY COUNCIL
S/4052—17 July 1958

*Second Interim Report of the United Nations Observation Group in Lebanon
Submitted through the Secretary-General in pursuance of the resolution
of the Security Council of 11 June 1958 (S/4023)*

17 July 1958

Mr. President,

I have the honour to transmit to the Security Council the second interim report of the United Nations Observation Group in Lebanon, which has been received today, by cable. I may refer in this connection to my statement just before the close of the 830th meeting of the Security Council yesterday afternoon, 16 July 1958.

I fully endorse the plan here outlined by the Observation Group as representing adequate interpretation of the Security Council resolution of 11 June 1958, in the light of the needs and possibilities flowing from the progressive development of the operations of the Group. In this regard, I refer to the interpretation of that resolution made by me in the 827th meeting of the Security Council on Tuesday morning, 15 July 1958.

Please accept, Sir, the assurances of my highest consideration.

Dag Hammarskjöld
Secretary-General

The President
Security Council

Second Interim Report of the United Nations Observation Group
in Lebanon to the Security Council

1. The access to all sections of the frontier secured on 15 July 1958 and reported to the Security Council in the interim report submitted by the Observation Group on that date has enabled the Group to review the position with regard to outstations and the need for Observers and other trained personnel. This review has now been completed and the results are contained in this report.

2. As of 15 July the Group had established the following network of outstations, sub-stations and permanently manned Observation Posts, the number of Observers stationed in each of these Posts being indicated:

Headquarters Beirut 14

Tripoli Area

Tripoli 7
Sir Danie 3
Ehden 4
Cedars 4
Halba 4

Bekaa Area

Chtaura 17
Btedai 6
A. U. Farm 6
Zahle 6
Rachaya 6
Saghbine 6

Southeast Lebanon

Marjayoun 10

Saida Area

Saida 13

Jezzine 3

Tyre 4

Total Observers 113.

3. As a result of this improved access to the frontier, the Group proposes to establish stations or permanent Observation Posts on or close to the frontier at the following points (manned by the number of Observers indicated against each), which include all important road and rail frontier crossings:

Tripoli and Akkar Valley

Arida 8

Nziziye 8

Braghite 8

North Bekaa

Baalbek Hq. 8

Koussair 12

El Kah Border Customs Post 8

Arsal 8

Yafoufa 8

Central Bekaa

Masnaa 8

Deir-el-Aachayer 8

Southeast Lebanon

Chebaa 6

Kharouia 6

Total Observers 96.

4. While in some cases the Observers for these posts may be obtained from currently existing sub-stations, a substantial number of the Observers required to man them must be sought from outside the present strength of the Observer force and the Group has already requested the Secretary-General on 12 July to make arrangements for placing at its disposal an additional 25 Observers. A further 65 Observers will now be required, raising the total Observer force to a figure of some 200.

5. It should be borne in mind that while night watches had been kept at all existing posts, the new posts on the frontier will be required to function on a 24-hour basis. Furthermore, the Group should also be in a position to establish such additional posts as the situation may require.

6. The advance of the Observation Group's activities up to or close to the frontier will change to a considerable extent the character of the field operations. It has hitherto been possible to place observation stations in the great majority of cases in hotels or other public facilities and the auxiliary needs of the staff of Observers has been met by local arrangement. Most of the new posts to be established will be placed near or on the frontier, where suitable accommodation is generally not available. It will, therefore, be necessary to establish tented camps for which some material has already been requested on 12 July.

7. This raises the question of the need for providing additional support for the ground Observers, both in respect of the performance of their observation duties, as well as by way of relief from duties not strictly connected with the responsibility of observation. It would greatly help in the extension of the activities of the Observers were they to be assisted by a certain number of unarmed troops to be used for regular ground reconnaissance on foot, based on outposts. Patrols could consist of officers, accompanied by a small number of other ranks, patrolling on foot or by mule, along the frontier areas, thus permitting wider and more profitable use of the force of Observers at the Group's disposal. In addition, Observers stationed at observation posts along the border would have men under their command to undertake the variety of duties required for the operation and maintenance of such posts, which in many cases would be located in isolated positions. Furthermore, the other ranks could be very usefully employed as guards; they could undertake the maintenance of transport, communications, supply and equipment and, in general relieve military Observers of other time-consuming and non-essential duties. The Group will, therefore, suggest to the Secretary-General that a force of unarmed non-commissioned personnel and other ranks should be assigned to it.

8. Experience with air reconnaissance since the Group's first report was submitted on 2 July 1958 has shown that this is a most valuable adjunct to the Group's ground observation. The aircraft and personnel at the disposal of the Group have been used to the maximum of their capabilities. Up to 15 July, 82 missions had been flown, totalling 150 flying hours.

9. The mission considers that on the basis of past experience it is desirable that the Group should be equipped with an adequate number of planes and trained personnel capable of providing continuous air patrols on all sections of the frontier. It also believes that a proportion of these planes should have night photography capabilities. One such plane was requested on 11 July. The Group estimates that 18 reconnaissance planes and 4 helicopters with aircrews supported by sufficient ground personnel and equipment would be required. Additional helicopters would be required to maintain contact and to insure rapid communications within the expanded network of outstations and observation posts referred to above.

10. It should be emphasized as will have been seen from the foregoing description of the outstations, observation posts and patrolling activities, that the Observation Group's whole operations and activities are directed mainly along the border areas. Permanent stations have been moving progressively closer to the frontiers on all sides. The development of the plans outlined in the Report is fully in accordance with the mandate of the Security Council, which charged the Observation Group in its resolution of 11 June 1958 "to ensure that there is no illegal infiltration of personnel or supply of arms or other material across the Lebanese borders". It is evident that for the performance of the task assigned to it, the Observation Group's activities must be directed to the border regions and to areas immediately adjacent to them. For that reason, the barest minimum of staff is maintained in Beirut, and UNOGIL Headquarters have only some 14 officers, whereas the rest of the entire force of officers, including aircrews, is constantly out in the field. It is proposed, in the immediate future, to locate helicopters and reconnaissance planes at the airport at Rayak in the centre of the Bekaa Valley, so that a constant aerial watch on a 24-hour basis can be maintained of the entire eastern and southern frontier. Planes based on Beirut will similarly patrol the seaboard and the northern frontier, till such time as arrangements can be made to locate some of them at the airfield north of Tripoli and close to the northern frontier.

11. Since the Observation Group's activities have been established on a fully operational basis, the 3 members have been considerably relieved of the pressure of organizational work necessitating their presence at Headquarters and they have been able to undertake frequent visits to the outstations and border areas. They hope to make these visits, which have helped them greatly to acquire a fuller understanding of the situation, even more frequently, and in course of time they intend to keep in constant personal touch with all the outstations and observation posts, particularly in the more sensitive areas.

12. The actual strategy of observation activities has been undergoing a fundamental change with the development of the organization and increasing access to the border areas. Instead of probing operations to points on the frontier from the widely scattered outstations and posts, permanent posts can now be established at or near the main road intersections with the frontier. In addition to increased air patrols, more extensive patrolling between these posts, on foot or by mule in areas where jeeps cannot operate, is the next logical step. With the increase in the Observer force and the addition of enlisted personnel, together with supporting equipment, envisaged earlier in the report, direct and constant patrolling of the actual frontier will be possible.

"APPENDIX E"

UNITED NATIONS SECURITY COUNCIL
S/4051—16 July 1958

*Interim Report of the United Nations Observation Group in Lebanon
Submitted through the Secretary-General in pursuance of the resolution
of the Security Council of 11 June 1958 (S/4023)*

1. The Group wishes to take the earliest opportunity to report to the Security Council that on 15 July 1958 it completed the task of obtaining full freedom of access to all sections of the Lebanese frontier.

2. The first of these frontier areas held by the opposition—the Akkar Plain—extends from Tripoli North and East to the Syrian border. On 2 July the Group was able to report that it had obtained freedom of access to this area. In the succeeding few days, some patrols penetrated into the area. From 9 July patrols began reaching the frontier at several points in the roads leading to it from South to North. On the morning of 15 July, the Group received the fullest assurances of complete freedom to patrol throughout the area North of Tripoli, and to establish permanent observation posts anywhere in the area, and in particular, at the intersections of the North-bound roads with the frontier. At the same time arrangements were made for the inspection by Military Observers of all vehicles and cargoes entering Lebanon across the Northern frontier. Again on the same day an outstation was established at the important road junction of Halba.

3. The second of the border areas held by opposition forces is that part of the Bekat Valley North and East of Baalbek. The northern frontier is crossed by a main road leading to Homs, (Syria) and a minor road running north from Hermel. Until 11 July patrols were not able to penetrate beyond El-Labous. On that day United Nations Military Observers at a meeting with the local opposition leader obtained freedom of movement to patrol up to the border by day, but were not yet enabled to establish permanent stations. On the morning of 15 July 1958, at a further meeting, arrangements were concluded to establish permanent stations at Konssair on the border and at Baalbek with effect from 16 July.

4. The next section of the border East of the centre of the Bekaa Valley consists of hilly country, through which pass two main communication routes—the Beirut-Damascus Railway East of Rayak and the Beirut-Damascus Road East of Masnaa. Further south, near Deir-El-Atchayer, two subsidiary roads provide a more difficult road connexion between Lebanon and Syria. The main centres of this region are under Government control, but almost all of the border is under opposition control. This region is covered by Chtaura outstation and its network of sub-stations. This network has already been established at the time of the last report, but consistent success has been achieved in pushing eastwards from the main roads up to the frontier. Observation posts are manned by day on a regular basis at the following points on or close to the frontier: Yafoufa, near the Beirut-Damascus Railway, Masnaa on the Beirut-Damascus road, and Deir-El-Aachayerce. The remaining section of the border with Syria is covered by an outstation at Marjayoun, from which a good road leads to Kun Itra in Syria. This section of the frontier is held by opposition forces. Observers from Marjayoun outstation finally penetrated into Chebba, the main opposition village in this area, on 12 July.

5. The remainder of the land frontier of Lebanon and the sea frontier continue to be accessible to the Group. Thus the Group is able to report to the Security Council that it has, as of 15 July, access to all parts of the frontier.

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

FRIDAY, AUGUST 1, 1958

MAIN ESTIMATES OF THE DEPARTMENT OF
EXTERNAL AFFAIRS—1958-59

WITNESSES

The Honourable Sidney E. Smith, Secretary of State for External Affairs;
and Messrs. Jules Leger, Under-Secretary of State for External Affairs;
and W. D. Matthews, Assistant Under-Secretary of State for External
Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.

and Messrs.

Aitken (Miss),
Argue,
Brassard (Lapointe),
Cardin
Crestohl,
Deschatelets,
Dinsdale,
Dorion,
Fairfield,
Garland,
Herridge,
Jones,

Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Mandziuk,
Martin (Essex East),
McCleave,
McFarlane,
McGee,
McGrath,

Nugent,
Paul,
Pearson,
Pratt,
Richard (Ottawa East),
Smith (Calgary South),
Stinson,
Valade,
Van Horne,
Vivian—35.

J. E. O'Connor,
Clerk of the Committee.

ORDERS OF REFERENCE

THURSDAY, July 31, 1958.

Ordered,—That the name of Mr. Dinsdale be substituted for that of Mr. Macquarrie on the Standing Committee on External Affairs.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

FRIDAY, August 1, 1958.

The Standing Committee on External Affairs met at 9:35 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Argue, Cardin, Crestohl, Dorion, Fairfield, Garland, Herridge, Lafreniere, MacLellan, McGee, McGrath, Nugent, Paul, Pearson, Pratt, Richard (*Ottawa East*), Smith (*Calgary South*), Stinson, Vivian and White—(20).

In attendance: The Honourable Sidney Smith, Secretary of State for External Affairs; assisted by Messrs. Jules Leger, Under-Secretary of State for External Affairs; W. D. Matthews, Assistant Under-Secretary; H. B. Robinson, Special Assistant to the Minister; H. Best, Executive Assistant to the Minister; W. T. Delworth, Private Secretary to the Minister; H. F. Clark, Director, Finance Division; Ross Campbell, Director, Middle East Division; M. Shenstone, Middle East Division; H. B. Stewart, Finance Division.

The Chairman observed the presence of quorum and called for further consideration of Item 85—Departmental Administration.

Mr. Leger, Under-Secretary of State for External Affairs was asked to define the terms Middle East and Near East.

Mr. Smith and Mr. Leger reviewed recent developments in connection with the proposed summit conference and answered questions concerning the recognition of the Government of Iraq by Canada and the United Kingdom.

Following a brief statement by the Minister relating to Economic Assistance in the Middle East, and his questioning the Committee adjourned at 10.55 to meet again on Monday, August 4, 1958.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

FRIDAY, August 1, 1958
9.30 a.m.

The CHAIRMAN: Gentlemen, we have a quorum and we will proceed as our limited time does not permit us to have it wasted.

I am going to ask those members of the steering committee who are present to remain when we adjourn at about ten minutes to eleven. There is the question of further meetings and I want to arrive at a mutual agreement as to the meetings next week.

When the division bells rang and closed the last meeting on Wednesday, a question in regard to a definition of the Middle East—Near East was about to be answered. The Under Secretary will answer that now; and then the minister has some announcements to make regarding developments since our last meeting.

I hope that we will be able to arrange meetings on Monday for 10 a.m. and 3:30 p.m. Now without further delay, we will proceed with item 85 and we will ask the honourable minister to make his statement.

Hon. Sidney SMITH (*Secretary of State for External Affairs*): I suggest the Under-Secretary tell us what the Middle East and Near East mean.

Mr. Jules LEGER (*Under-Secretary of State for External Affairs*): Thank you, Mr. Chairman. By the way, I was most grateful for that bell.

Mr. PEARSON: You will not get one this morning.

Mr. LEGER: I am afraid the clarification is rather difficult to make. There is no consensus among historians, geographers or even governments.

In the old days southeast Asia was divided into a Near East, referring to the territories off the seaboard of the eastern Mediterranean, and a Middle East which included such areas as Mesopotamia (present-day Iraq), Persia (present-day Iran), and Afghanistan. Then there was a Far East.

Therefore, since there was a Near and Far East, there was reason for a Middle East to exist. Nowadays the distinction between the Near and Middle East has almost completely disappeared. Some governments choose the expression Near East and others Middle East.

As far as our department is concerned the phrase "Middle East" is generally used to designate the territories of Egypt, Syria, Saudi Arabia, Lebanon, Israel, Turkey, Jordan, Iraq, Iran, Kuwait, Bahrain, Trucial Sheikdoms, Muscat and Oman, Yemen, and Aden and protectorates. Sudan and possibly Libya might also be added to such a list. These definitions however are quite arbitrary and a simple matter of convenience and I must add that our terminology should not be taken to convey any political implication.

Mr. SMITH (*Hastings-Frontenac*): Pakistan?

Mr. LEGER: No, not in our terminology.

Mr. PRATT: We do not recognize any Near East.

Mr. LEGER: We do not use the expression.

The CHAIRMAN: I am sure we are all obliged to the Under-Secretary for this explanation. It certainly was a revelation to me as well as to some of the members of the committee, I presume. Are there any questions in regard to Mr. Leger's statement; if not, I will ask the minister to proceed.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, at the first meeting of the committee Mr. Crestohl referred to a news item in the *Montreal Gazette* relating to a statement that had been made by Lord Home. I was prepared to table the text on Wednesday when the division bell rang. I have the official text now and with your permission, I would like to table it. The statement was made in the House of Lords on July 28th.

The second British interest in the Middle East is oil and it is better to face frankly that this is so. I do not know whether the people of our own country yet understand our full dependence on this area from which between 70 and 80 per cent of our oil supplies still come. However much coal or atom power we are able to harness in the future we shall still need all the fuel for our industrial expansion both here and in Western Europe that we can lay hands on. Nor can we afford to pay dollars for our oil; nor indeed could we afford to forfeit the sterling which we get from the sales of our oil. So let everybody in this country understand the effect which the loss of this oil in this Middle East area would have upon the economy of the United Kingdom and the lives of everybody in it and not only that but on Western Europe too.

The Noble Lord, Lord Henderson, perfectly rightly reminded us that the Middle East is not our exclusive concern. That is perfectly true but our stake in the oil and our interests in its commercial exploitation is high. It is a proper commercial interest legitimately based on a respectable commercial enterprise. There should be no conflict whatever as I see it with Arab interests; quite the contrary because Arab oil and the good currency of the West should be able to join together in harmonious and mutually beneficial arrangements. Indeed I would claim that the arrangements between the oil companies and the Sheikdoms of the Gulf and the Arab and Moslem rulers can continue to mutual advantage in mutual trust and in mutual respect. That is certainly so in the case of Iraq and it is our wish to maintain our good commercial relations with them.

Nor should there be any conflict in this area between the great powers. Russia has no vital commercial interests in this area at all. It would seem to me that although she naturally has a political interest—we do not deny it—there should not be any conflict between the great powers in this area. But should a third party, whether it is Russia or Nasser, seek by calculated deliberate policy to deprive us of our oil supplies and to deprive Western Europe of its oil supplies and thereby to put a veto on the industrial expansion in the western world then it is well to make it plain and unmistakable that that situation could not be tolerated by the United Kingdom.

I just add that this statement was made without our knowledge. I must say to Mr. Crestohl that the press report was not inaccurate.

Mr. PEARSON: You mean it was accurate?

Mr. SMITH (*Hastings-Frontenac*): I use the expression advisedly—not inaccurate.

On Wednesday I informed the committee that it was not my intention or desire to withhold any information that I could properly give to the committee. I anticipated that by Friday morning there would be developments, and with your consent I am suggesting that the Under-Secretary, Mr. Leger, review the developments since Wednesday. I am asking him to deal with the facts; I am not asking him to deal with policy. Does that meet with your approval?

The CHAIRMAN: Agreeable?

Agreed.

Mr. LEGER: Well, Mr. Chairman, at the last meeting of the committee the minister referred to the difficulties in giving the committee at that time all the information we had. That was a period of rather intense negotiation,

particularly between London, New York and Washington. The preparations for the reply to Mr. Khrushchev's latest letter were under consideration; and as you are aware Mr. Macmillan made his reply yesterday, Mr. Eisenhower today, and the Prime Minister made the Canadian position known in the house yesterday afternoon. The French also have made their position known; so that now there seems to be agreement among the western powers for a meeting at the summit to be held on August 12. Plans and details of the meeting will be worked out by the Security Council, by the permanent representatives of the member states.

There is a slight discrepancy of which the members of the committee are aware, between the United Kingdom and the United States position on the one hand and the French on the other. I think it will not be impossible to have those difficulties ironed out and that the western position can be taken to be fairly close to being unanimous, although some countries are less forthcoming than others in welcoming that type of a summit meeting. I presume it would now be up to Mr. Khrushchev to agree to comment or disagree with this western position. Normally he takes little time to make up his mind and we might expect a reply from him in the very near future.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, I can add to that statement given by the Under-Secretary who has a detailed knowledge of all the facts. In the past few days of this week our representative to the United Nations, Mr. Ritchie, has been in close communication with the Secretary-General. We have instructed Mr. Ritchie to address a letter this morning to the President of the Security Council asking for a meeting, a special meeting of the Security Council, to be arranged for Tuesday, August 12, and to state in those instructions that the Prime Minister of Canada finds that date satisfactory and that it would be his intention to attend that special meeting. The Columbian Representative to the United Nations ceased to hold the presidency as at the end of the month, yesterday, and the French Representative, (M. Georges Picot, has taken over as president). We also suggested in those instructions that our Representative should propose through the President of the Security Council that in the meantime permanent representatives on the Security Council should confer with a view to framing or wording the item to be inscribed, and to discuss with one another means and methods and techniques—modalities is the word—with respect to procedure that would be invoked at that meeting. That is the statement I wish to make.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: I have two questions in regard to what has just been said and which was of considerable interest. The minister has indicated that the Canadian Representative is now going to ask the Secretary General to call a meeting of the—

Mr. SMITH (*Hastings-Frontenac*): The president of the Council.

Mr. PEARSON: —for August 12 to meet at the highest level.

Mr. SMITH (*Hastings-Frontenac*): I used the words "special meeting".

Mr. PEARSON: He has also said that the regular Council will be asked to meet before that to work out the procedures, the agenda and all that kind of thing. Does that mean that the full meeting of the Security Council proposed for the summit on August 12 will begin at once to discuss questions of substance and that this will be the same proposed summit political conference?

Mr. SMITH (*Hastings-Frontenac*): I did not suggest that, Mr. Chairman. These procedures are to be considered by the permanent representative in the meantime and there is nothing in the letter of instructions to indicate that we have taken any particular position; there should be flexibility in the meantime. The Secretary-General will be in on these discussions.

Mr. PEARSON: I think perhaps we are entitled to assume that if the questions regarding changes and procedures have been settled, as I hope they will have been by the council in the opening session, then when the summit meeting takes place in the full council on August 12, it would normally start right off with a discussion of the Middle East, and that leads me to another question.

Mr. SMITH (*Hastings-Frontenac*): May I just interpolate there; it may be there would not be a preliminary regular meeting. The arrangement might be settled through discussions without holding a formal regular meeting among delegates. We are probing for flexibility.

Mr. PEARSON: I hope you will find it. Have any proposals been made, or are there any provisions under consideration by the powers most concerned—the four or five most concerned—which would enable them to withdraw from the full power meeting and discuss these questions in private?

Mr. SMITH (*Hastings-Frontenac*): Undoubtedly, that is their goal. How that will be done, I do not know as yet. Mr. Macmillan in his last letter said in effect that undoubtedly there will be meetings, formal or informal, among the five; and whether that would come about by an informal meeting of the group or whether they would be formally constituted as a subcommittee or a committee, I am not in a position to say at the present time. It could be contemplated that some of the heads of government would not want to be characterized as members of a subcommittee. I do not care how it is done, whether it is formal or informal. We cannot suggest at this moment how it will be brought about. I would like to think at the moment it is a group rather than any formal body—that is what I mean.

Mr. PEARSON: The Under-Secretary used the expression “western position” in regard to these matters, and I think it would be useful if the minister could clear up some confusion in this regard arising out of what we read in the press in regard to a western position. My own information based on press sources is that one member of the three western powers, namely France, has not accepted the invitation to come to New York at all and Mr. Macmillan, as the minister has pointed out, has indicated that these discussions should be resumed in a small informal private group as soon as possible. There was a report yesterday in the press from Washington to the effect the United States government wish to keep the discussions in the full Security Council, so perhaps it would be helpful if the minister could remove the impression, if that is possible, which must have been created by the separate press accounts from various capitals which do not indicate there is a western position, which is of course desirable.

Mr. SMITH (*Hastings-Frontenac*): In reply to that—and let us be frank about it—the country to which Mr. Pearson refers is France. France's General De Gaulle has not explicitly refused to come to New York. On the other hand, Mr. Eisenhower and Mr. Macmillan say they will go to New York or any place. There may be some reservation with respect to one capital but that may not evolve. In regard to anyone on the western side taking a position in favour of any particular place, I can say to that extent that there is no divergence, and I would add that there have been consultations among the capitals and there has been consultations in the NATO council with regard to these matters. I do not regard as too serious the French preference that this meeting should not be held in New York. I made some observations about that on Wednesday of this week before this committee. I do expect that the holding of this meeting will not be prevented by different opinions concerning places. Certainly the Canadian position, the position of the United Kingdom and the position of the United States is that it must be held *ab initio* (from the beginning) under the auspices of the United Nations.

Mr. CRESTOHL: Could the minister tell us whether the question of who will be present has as yet been finalized?

Mr. SMITH (*Hastings-Frontenac*): No, and that is one of the matters that will be discussed.

Mr. CRESTOHL: Would the attendance of the united Arab league be one of those items to be discussed?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. CRESTOHL: As well as the other states in the Middle East that are concerned?

Mr. SMITH (*Hastings-Frontenac*): Yes. This government has taken a position with respect to the interested countries. You will recall, Mr. Chairman, the first proposal of Saturday, July 19th, on which date a letter was received from Mr. Khrushchev. The addressees talked about Arab countries, but we have taken a wider view than that.

Mr. CRESTOHL: And will it be for the leaders of the heads of government when they first meet to determine as to what countries will be invited to attend?

Mr. SMITH (*Hastings-Frontenac*): The Security Council.

Mr. CRESTOHL: The Security Council will be the one who will make that decision.

Mr. SMITH (*Hastings-Frontenac*): Yes, and there has not been a decision made yet.

Mr. SMITH (*Calgary South*): I find it reassuring to hear the minister say he does not feel that the attitude of France is a substantial block in the way of an eventual meeting. In regard to the interchange of ideas and the discussion which I would assume would of course involve the United States, Britain and Canada along with France; I wonder if you would confirm if you could whether Canada has been taken in on any discussions with General DeGaulle on the necessity of having this meeting and endeavouring to persuade General DeGaulle of its importance?

Mr. SMITH (*Hastings-Frontenac*): Yes, there have been discussions and the Under-Secretary of State confirms my recollections. Mr. Dana Wilgress is our representative on the NATO Council; the Council has had common discussions, and of course a representative from France has been present.

Mr. Leger also informs me that there have been discussions between our representative to the United Nations and delegates from France.

Mr. CRESTOHL: Would it be possible for the minister to say whether our government has yet made any formal representations to the Security Council as to what countries it would like to see invited?

Mr. SMITH (*Hastings-Frontenac*): There was a statement of the Prime Minister as well as my own statement in the house.

Mr. McGEE: I heard the tail-end of a news broadcast this morning when I was coming down here: it was to the effect that the United Kingdom had recognized Iraq.

Mr. SMITH (*Hastings-Frontenac*): Yes, the United Kingdom recognized Iraq this morning at 7.30 our time. I shall be making an announcement in the house to the effect that we too are recognizing Iraq. But we have no information from the United States with respect to this matter.

Mr. McGEE: Will that involve any representatives at Baghdad?

Mr. SMITH (*Hastings-Frontenac*): No. I said one day this week in answer to a question in the house asked by Mr. Pearson that there was no particular urgency in so far as Canada was concerned because we have no mutual exchange of diplomatic representation in Iraq. We have received from various capitals of the world where we are represented, communications announcing recognition of the new government, but up to now there has been no cognizance on our part of that fact.

In reply to the question addressed to me in the house by Mr. Argue (on July 29th), this now makes clear our position.

With respect to seating the new delegate from Iraq, this involves our supporting any proposals that the Representative of the new Iraq government should be seated in the United Nations.

Mr. CRESTOHL: Did I understand you to say that there was no consultation with the United States?

Mr. SMITH (*Hastings-Frontenac*): I did not say that. I do not know what the position of the United States will be in this regard.

Mr. CRESTOHL: It was not the seating of the delegate I was referring to. I thought you said a moment ago that when Canada had decided to recognize Iraq, there was no consultation with the United States on the matter.

Mr. SMITH (*Hastings-Frontenac*): That is not what I just said. I regret that my words will be twisted.

Mr. CRESTOHL: That is the farthest thought from my mind.

Mr. SMITH (*Hastings-Frontenac*): I said that I did not know about the United States, if they decide to recognize them, or when they will do so.

Mr. CRESTOHL: I want to correct any misunderstanding there may be. It was farthest from my thought or mind to twist your words. I am very anxious to understand what is being said. Perhaps I did not quite catch one of your terms, and that provoked my question.

Mr. ARGUE: It has been suggested that the United States—and I take it also the west—might be in a better position to negotiate at the summit if, in the meantime, it were possible to have American troops withdrawn from Lebanon.

I wonder if the minister could say what Canada's position is with regard to the withdrawal of American troops from Lebanon? Are we encouraging the withdrawal of those troops before the summit meeting? Have we discussed it with the United States? Have we a position on that question?

Mr. SMITH (*Hastings Frontenac*): Yes, we have a position, subject to the stabilization of the situation in Lebanon.

Mr. ARGUE: Then what is our position?

Mr. SMITH (*Hastings-Frontenac*): That is it!

Mr. ARGUE: Does the minister feel that the situation is now sufficiently stable that American troops should be withdrawn?

Mr. SMITH (*Hastings-Frontenac*): Not on the evidence we have at the moment. I share the view that Mr. Argue expressed in the house yesterday, that the election of General Chehab is undoubtedly a contributing factor, but as yet he is not in power.

Mr. ARGUE: I would express the hope that Canada would not hesitate at all in encouraging the United States to withdraw her troops from Lebanon, and that our position should be based on what the facts are. I hope that is what will be done—and not on a decision of the United States, when they say that the situation is such that they can withdraw their troops and that we would automatically say, oh, of course, that is perhaps it.

Mr. SMITH (*Hastings-Frontenac*): That will be a matter for the Security Council of the United Nations.

Mr. ARGUE: Does that mean that this question will wait until the summit meetings?

Mr. SMITH (*Hastings-Frontenac*): No, not necessarily.

Mr. CRESTOHL: A lot of interpretation has been given to the headline that troops will be withdrawn only at the request of the government of Lebanon.

Mr. SMITH (*Hastings-Frontenac*): I saw that headline too. I saw the press report. It was not explicit whether that press report was accurate or not. This statement was attributed to Mr. Dulles.

Mr. CRESTOHL: That is right.

Mr. SMITH (*Hastings-Frontenac*): As I read the press report it did not say, "only, if, and when the government of Lebanon requested it", because the position was taken by the United States that there was another alternative.

At the meetings of the Security Council last week we debated the work of UNOGIL. That is another possibility.

Mr. CRESTOHL: I imagine it would be a bit awkward to have another position, because if the United States said: we entered Lebanon at the request of the government, it would be awkward for them to run out from Lebanon without the government of Lebanon agreeing or consenting to it. That could justify the statement by Mr. Dulles.

Mr. ARGUE: It would be more awkward if they are still there.

Mr. SMITH (*Hastings-Frontenac*): That is not, as I see it, the only possibility or the only way to trip the hammer, slip the cog, or whatever the appropriate move is.

Mr. PEARSON: The minister said, I think—and I do not want to misrepresent his words or put others in his mouth—but I think he said that the Security Council could make a decision in regard to the position with respect to Lebanon which would warrant the withdrawal of the United States forces.

Mr. SMITH (*Hastings-Frontenac*): Yes, I could contemplate that the Security Council might express the view that stability has been established. I could contemplate that as a speculation on what could be decided or could be the decision at an informal meeting or at a formal meeting of the five who, according to the original proposal from Mr. Khrushchev, would report back to the Security Council.

Mr. LEGER: Another point is that the Security Council could at a given stage be satisfied that the machinery set up by the Secretary-General, which would be UNOGIL, might be expanded. That is, once the Secretary-General has reported to the Security Council that, in his view, the machinery now is satisfactory, having regard to the resolution of June 11, then the United States forces could be withdrawn. There is a direct relationship between the two.

Mr. PEARSON: Is it not a fact that intervention was brought about by a decision of the United States government and not by a decision of any United Nations agency. Therefore a decision to withdraw would presumably be a decision of the United States government?

Mr. SMITH (*Hastings-Frontenac*): I return to the point made by Mr. Leger which really was the basis for my statement: that I could contemplate that the Secretary-General could report that he received a statement from the field where UNOGIL is operating the situation is stable.

Mr. CRESTOHL: If that could be given effect to, and if the Security Council could, by a resolution, invite the United States to withdraw from Lebanon, could the Security Council adopt such a resolution?

Mr. SMITH (*Hastings-Frontenac*): It could adopt it undoubtedly, but whether it could make it effective with the United States—certainly there would be moral world opinion about it.

I am trying to make the most of my time with the committee and I say this again—I am only a witness, but we were about to take up a specific topic at the last meeting, and I think that topic had to do with economics.

The CHAIRMAN: Yes. Mr. Herridge suggested that we go on with the subject of economic development of the Middle East.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, in the debate in the house last Friday I expressed the hope that it would be possible to give some assurance of economic stability not only to Lebanon but to that whole area.

I had in mind, and I recall that I expressed the view, that economic stability there is clearly related—and indeed it should be—to the question of political stability, and I expressed the hope last Friday, or the view, that the United Nations, or other organizations, could play a useful role in this connection.

I endorse here this morning again the objectives of economic assistance being given to the Middle East.

Here again, in so far as we are participating in any discussion, we are feeling our way, and I am going to be very careful in my statement not to say anything which would indicate that Canada has a fixed position while this matter is in flux.

The whole situation was and is in flux. A fixed position with respect to holding the proposed heads of government meeting and to the objectives indeed is clear. And I expressed the hope and the expectation that at such a high level conference—whether it be formal or informal, in New York or elsewhere—that this matter would be thoroughly considered.

I think it might be well for me, anyway, and perhaps for members of the committee,—I make that observation respectfully—to discuss general principles which might help in approaching a solution to economic problems of the area through the United Nations and its agencies or through any other organization.

First of all there arises the question of economic aid to the Middle East in so far as it can be related to the activities of the United Nations.

That, I observe, should be put in the context of a broad range of economic activity in which the United Nations plays a part.

Members of the committee, Mr. Chairman, will recall that one week ago, on July 25, in the house I mentioned some of the activities which would now be considered in the United Nations, such as a new special fund which would take the place of the proposal known as SUNFED.

I spoke also of the United Nations technical assistance programme.

One can be confident—yes, I would use a stronger word—one can expect that the Middle East would take its place along with other areas having a claim on these capital resources, bearing in mind of course the special attention which has already been given to the Middle East in relation to such urgent problems as—to give one example—the relief and rehabilitation of Palestinian refugees.

But I do not think that will be sufficient, to work through these agencies which I have mentioned. There are special conditions which are peculiar to the Middle East and which call for a more comprehensive solution than would be the case in other under-developed areas in the world.

So it was in relation to these problems particularly that I made my suggestion last Friday that the United Nations or other agencies could play a valuable role in respect of economic stability in the Middle East.

We must recognize—and I endeavoured to point this out in the house on Friday of last week—that in the recent past, the Middle East has been the focus of intensive cold war pressure, and that this has manifested itself particularly not only in the political field but particularly in the provision of economic assistance as well. We must have in mind and we must recognize the activities of the U.S.S.R. in that area.

On the more important point, we must bear in mind that, in conformity with the principles of the United Nations, economic assistance policy, should be formulated, with due respect—for want of a better term—to the principle of equal rights and the self-determination of the people in that area.

Referring to what I endeavoured to say in the house last week in the debate on external affairs, it was this essential guiding principle that I had in mind, to make economic aid without strings—political or any other kind of strings—and that it must be relevant to the situation in the Middle East.

Another observation I would make is that we must have consideration for the special situation in the Middle East, and that it is essential that all economic aid be so handled—and I shall read this and be very exact in my expression—“that all economic aid be handled in the most productive and in the most economical manner possible by those and for those who are to benefit from it.”

To elaborate on that thought, to the extent that the area has regional problems, or problems involving, let us say, two nations, cooperation between two or more states in the region must be borne in mind.

I believe that the governments of the area might find it advisable to work collectively through an agency established from some impetus by the United Nations.

I am sure that if this were found to be appropriate on the basis of sound technical considerations, such a regional agency would derive benefit from connection with the United Nations.

Again I say this: that I do not wish to pre-judge a particular role of the United Nations at this stage. I have suggested for the consideration of the committee, Mr. Chairman, one or two of the general problems connected with it, and in which the United Nations proper or its specialized agencies or programmes might play a valuable role.

I express again the hope and the expectation that such a matter of economic stability, and economic support that would make for political stability, would be discussed at various high levels in the next two weeks.

That is why we are studying the matter very carefully at the present time, and I can assure the committee that this matter has been discussed by governments in other capitals of the west.

In the department we did give thought to the establishment of a United Nations regional economic commission in the Middle East where these matters could be discussed frankly, and we hope, constructively.

The United Nations has regional economic commissions for Latin America, Europe, and the Far East. Those have been set up. And I have learned that a proposal for the establishment of a similar commission for the Middle East was considered by the United Nations Economic and Social Council in 1951. It was considered long and seriously but it was decided, having regard to the situation prevailing in the region at that time, to postpone the question to a subsequent session.

Some of you may recall the situation as it was in 1951. There has been no subsequent discussion of the question of establishing a United Nations regional economic commission for that area.

It is perhaps entirely impossible. The issue could be revived again at some time in the future, but the 1951 decision represented the considered views of a majority of the countries of the region. But in the department we think it is doubtful whether at this time there has been any improvement in the regional situation which would render it likely that positive action in this regard could be taken.

So it is for this reason in probing and searching that we are now seeking unexplored paths for a means of enabling the United Nations to perform a sort of useful function in the Middle East that has been carried on by regional economic commissions elsewhere.

The Prime Minister on Friday evening, July 25th, mentioned the International Monetary Fund and the International Bank, which are agencies related to, and initiated to some degree, by the United Nations, and that they might be supported to a greater extent to the end that they might be able to play a role which would promote economic stability in this area and therefore stabilize the area politically as well.

The CHAIRMAN: Are there any questions arising out of the statement?

Mr. SMITH (*Hastings-Frontenac*): I would be grateful for any suggestions in our ardent and serious search.

Mr. PEARSON: I assume what the minister meant when he said there were consideration in 1951 which made impossible the establishment of the Middle East economic commission, which could be of such great value in the kind of work he was talking about—what he meant was that the Arab states in the Middle East would not work with Israel.

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. PEARSON: And that still persists. Does the minister agree that as long as that political situation persists there cannot be a United Nations commission for economic assistance to the whole of the Middle East, including all the Middle East countries as one would have to be excluded.

Mr. SMITH (*Hastings-Frontenac*): We do not like that.

Mr. PEARSON: Could the possibility of an assistance plan under the United Nations for the area be linked to the necessity for doing something to bring about the inclusion of Israel in these measures?

Mr. SMITH (*Hastings-Frontenac*): That is what I was endeavouring to say when I indicated we are probing and seeking.

Mr. PEARSON: I suggest that this perhaps is one string which might be attached to aid namely that they must settle their affairs somehow with Israel. Then I have another question. It is another string which might be attached. These are the only strings I am thinking of and not those involuntary political considerations. Does the minister not agree that a vital factor in aid for the Middle East would be the inclusion in that aid for the benefit of the people of the Middle East of the enormous revenues that are now coming from oil and are not being used in certain cases for the benefit of the people but for that of a few overlords.

Mr. SMITH (*Hastings-Frontenac*): Is that a string?

Mr. PEARSON: I suggest it is.

Mr. SMITH (*Hastings-Frontenac*): I suggest that is a factor.

Mr. PEARSON: I should think it would be hard to ask the Canadian people to contribute to economic assistance for a country which is getting an enormous oil revenue which is going to one or two people in that country.

Mr. SMITH (*Hastings-Frontenac*): I assure the hon. member, Mr. Chairman, that the government is not unaware of that situation.

Mr. CRESTOHL: Certainly everybody will welcome the approach which the minister is taking in attempting to deal effectively with the economic situation in the Middle East and he is seeking suggestions which might be helpful. I am wondering whether this intransigence on the part of the Arabs might be stirred a little or modified a little on the approach which the Prime Minister of Israel has taken in the last few days in addressing an address to Mr. Khrushchev to invite Mr. Nasser and Mr. Ben Gurion to a direct conversation in regard to developing a peaceful life in the Middle East, and with that

of course could go this economic aid in regard to which the minister speaks. Perhaps one of these strings which Mr. Pearson talks about might be used in the conversation. Has the minister been aware at all of this approach which I learned from the newspapers has been made by Mr. Ben Gurion to Mr. Khrushchev?

Mr. SMITH (*Hastings-Frontenac*): I get mixed up between telegrams and the New York Times. I cannot recall, but it is not new to me.

Mr. CRESTOHL: I am wondering whether it would not be of some help to reach this objective, which is a world peace objective, if the Canadian government could in some form let it be known to Mr. Khrushchev, Mr. Nasser and Mr. Ben Gurion that it is interested in seeing that round table conferences take place with a view to resolving the difficulties and give the world an opportunity to develop its economic aid to the Middle East.

Mr. SMITH (*Hastings-Frontenac*): Well, when I saw that press dispatch I must say that speaking for myself I welcomed the possibility of Prime Minister Ben Gurion and Colonel Nasser getting together. Of course, to follow the Arab-Israeli situation further there is this overhanging question with respect to the Palestinian refugees. That in large measure is the core of the problem and I think there could be some resolution of that. I wonder whether some headway could be made in respect of this problem through economic cooperation or the regional grouping as I envisaged a few moments ago. I do not suppose the Palestinian refugee question would be discussed by the so-called formal or informal meetings of the great powers, but I think in so far as Canada is concerned we should still continue to make every possible effort to prevent the aggravation of that question by a policy of future and generous contribution on the part of Canada for the work of the United Nations Relief and Works Agency for Palestinian refugees. In this context I would say that should be provided. It is true the Liberal government and it is true to a greater extent by reason of increased contributions by the present government, that Canada is the third largest contributor in recent years to the UNRWA budget. Members of the committee will recall that at the last session—I forget the exact date—this government announced an additional contribution of \$1,500,000 worth of flour. The letter which we received from the Director General UNRWA in that respect was most gratifying. It helped them out at the time when their finances for the year were running low and it did use this gift of flour to release funds for a greater measure of rehabilitation of these refugees.

Mr. CRESTOHL: My suggestion, Mr. Minister, is this: I am not making a formal suggestion, but you could contemplate it. I am asking whether the Canadian government could let it be known since it is aware that such a conference is proposed between Colonel Nasser and Mr. Ben Gurion that it encourages and favours it. A request could be directed for the sake of world peace to the effect it is anxious that the situation be resolved between the Arab states and Israel. This could be done by some message or some communication to wherever they think the communication should go.

Mr. PRATT: Could the minister say if he considers the question of the withdrawal of the Palestinian nation to its original boundaries is of equal importance to the disposition of the Palestinian refugees?

Mr. SMITH (*Hastings-Frontenac*): That matter has not come before me. I spoke of the pride of Canada. It was only last night that I ascertained the figures from 1948 to the end of the calendar year, 1957, amounted to over

\$5 million. This amount is being paid by the Canadian taxpayer when it comes to the relief and rehabilitation of the refugees.

Mr. PEARSON: Could the minister tell us how many refugees there are now compared with a year ago? You must have that figure available.

Mr. LEGER: Somewhere over 900,000; there is a slight increase in the total number.

Mr. PEARSON: And when the refugee problem began about ten years ago, what was the figure then?

Mr. SMITH (*Hastings-Frontenac*): In 1948.

Mr. PEARSON: About the same?

Mr. LEGER: I think over the years it has varied from 800,000 to 900,000 and the last figure we have is 933,000 which according to my memory is the highest.

Mr. PEARSON: Instead of disappearing they are increasing in numbers. Perhaps that is one reason why they need more flour.

Mr. SMITH (*Hastings-Frontenac*): Is there any accretion to the numbers from outside?

Mr. LEGER: No.

Mr. FAIRFIELD: Could the minister tell us whether Egypt has made any positive attempt to try and resettle or solve the problem of the Palestinian refugees?

Mr. SMITH (*Hastings-Frontenac*): Not to my knowledge; Nasser has been busy in other fields.

Mr. CRESTOHL: This last question would also apply to the other neighbouring states. I think the question was asked whether Egypt has done anything to help resettle or solve the problem of the refugees and the answer was no; and I said does that apply to the other neighbouring Arab states.

Mr. PRATT: Is it not a fact that Syria has done something to rehabilitate many of these refugees?

Mr. LEGER: Yes, there was a time when the Syrian government did show some cooperation.

Mr. SMITH (*Hastings-Frontenac*): Since it became a part of U.A.R., no.

Mr. ARGUE: In regard to economic assistance to the Middle East generally and your suggestion that Canada would support such a programme through the United Nations—

Mr. SMITH (*Hastings-Frontenac*): Or other agencies.

Mr. ARGUE: I certainly welcome that suggestion. Could you tell the committee what size of a program Canada has in mind? It would seem to me that in addition to saying we are in favour of a program, that Canada must have some assessment as to the amount of money, a minimum sum that would be needed to fulfill the kind of program that Canada has in mind. In other words, is this a program of the size of the Colombo Plan, or a smaller fraction of it, or is it a much greater program?

Mr. SMITH (*Hastings-Frontenac*): I am unable to answer that question in specific terms. It is a matter for consideration and I do not invoke that suggestion under the political escape clause. I assure the committee that

earnest consideration is being given to this because we believe it is basic to the whole area. We are discussing this problem with other nations and these discussions have been indeed intensified by reason of the present crisis.

Mr. ARGUE: Could Mr. Smith tell us the approximate total annual contribution that Canada makes to economic development and technical assistance and so forth through the United Nations?

Mr. SMITH (*Hastings-Frontenac*): I do not have that exactly. I could guess, but I am going to get the exact figure.

Mr. LEGER: We will be circulating that information probably in the next meeting of this committee.

Mr. ARGUE: I am not trying to tie you down to a dollar figure; could you give me an estimate?

Mr. SMITH (*Hastings-Frontenac*): I have seen it in the last week or two.

Mr. FAIRFIELD: May I ask a question arising out of some statements made about uranium and the control of uranium for the production of atom bombs or nuclear weapons. Would the minister know or would he care to say how much of the free world supply of uranium concentrates is controlled by Canada?

Mr. SMITH (*Hastings-Frontenac*): I am unable to answer that. That is another question to which we will supply an answer for you.

Mr. SMITH (*Calgary South*): Mr. Chairman, could I ask the minister a question? I believe the problem of oil of course has been a contributory factor in the problem to date. I understand that the situation in Iraq and perhaps in all the Middle East countries is that the principle is that the government receives I think before tax 50 per cent of the net revenue obtained from oil. The question I would like to ask is whether this subject of the allocation and revenues has at any time been referred to any section of the economic part of the United Nations or whether there has been any discussion or any suggestion of what really amounts to the interference. Has there been any advice received whether it is considered to be an equitable proportion because in talking about that the charge has been levied the Middle East countries do not receive in actual fact their fair share of the proportions of the oil revenues. Has this been under consideration by the United Nations?

Mr. LEGER: That problem has been discussed but not within the United Nations framework. The countries more directly concerned, the producers, and those who buy the oil have been consulted individually by the Secretary-General but no plan has emerged from that and those discussions did not take place within the framework of the United Nations.

Mr. SMITH (*Calgary South*): Would it be a fair question to ask—and this is a important question by nature of the fact that if a greater percentage of these revenues were retained that conceivably it would be one of the solutions to the economic problem within the Middle East.

Mr. LEGER: I think it is a fair question.

Mr. SMITH (*Hastings-Frontenac*): In answer to Mr. Argue's question, I have found the document for which I was looking a while ago. From 1945 to 1958 Canada has contributed to the Colombo Plan \$196 million.

Mr. ARGUE: My actual question was—

The CHAIRMAN: Would you allow the minister to complete his statement?

Mr. SMITH (*Hastings-Frontenac*): Including the Colombo Plan—if you will permit me to give the picture as I have it here—and the United Nations agencies, special loans, reconstruction loans. Military relief assistance to Belgium, Denmark, France, Italy, Luxemburg, Netherlands, Norway, amounts to \$105 million. So that does not come within Mr. Argue's question, but I pull out military relief assistance and I find here the whole total of \$4,306,010,000 from 1945-1958.

Mr. ARGUE: Surely that is not the answer to my question. My question was what sum of money annually, let us say last year, did Canada contribute to the United Nations and to the United Nations agency for economic development and technical assistance and not how many billions of dollars.

Mr. SMITH (*Hastings-Frontenac*): I wanted to get this on the record.

Mr. ARGUE: You are not suggesting it was an answer to my question.

Mr. SMITH (*Hastings-Frontenac*): That is information that could be obtained for our next meeting, Mr. Chairman.

Mr. ARGUE: Could we have a quick estimate on the basis of the estimates before us; is it less than \$3 million?

Mr. SMITH (*Hastings-Frontenac*): I refuse to hazard a guess.

The CHAIRMAN: I would suggest gentlemen that the answer to this would only at the moment be maybe a very good estimate. Should it stand in abeyance until our next meeting?

Mr. ARGUE: The point I was coming to, if my estimate and the estimate of the Leader of the Opposition is correct, it is just a contribution of a very few million dollars that Canada makes to the United Nations annually for economic assistance and technical aid and some of these items—I presume they are all in the estimates—are a very small amount of \$2 million or \$3 million. Well then, in light of the answer that Mr. Smith made to my question as to whether Canada had some general figure in mind as to the value of an economic assistance program for the Middle East through the United Nations, my suggestion is and my hope is that Canada will raise its sights and that Canada's contribution in this field will be much higher and if what Canada has in mind for Middle East development is in line with the very small sum which is now contributed to the United Nations that the total figure will be most inadequate to do the job in the area. The Colombo Plan has a much higher figure and it is supported by all parties and we think in many instances it should be higher.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, I refused because I was unable to give any projection with respect to Canada's contribution to economic assistance. I did make it very plain. I leave it to the committee that until we can formulate any comment and plans in that regard, I cannot make any estimate. Mr. Matthews, could you interpret this?

Mr. W. D. MATTHEWS (*Assistant Under-Secretary of State for External Affairs*): The main votes for assistance which are included in this year's estimates before the committee are vote 96, the expanded program for technical assistance which is \$1,976,875. That is about \$2 million U.S. dollars. Then there is the United Nations children's fund which is \$650,000 and \$35 million for the Colombo Plan.

Mr. ARGUE: Which is outside the United Nations?

Mr. MATTHEWS: Yes.

The CHAIRMAN: It still comes out of the taxpayers' pocket.

Mr. ARGUE: I am not referring to that.

Mr. MATTHEWS: The assessment for membership in the intergovernmental committee for European migration is \$258,000.

Mr. ARGUE: This time it has varied.

Mr. MATTHEWS: \$200,000 for the refugee fund, \$500,000 for the Near East and then there are non-United Nations items. The technical assistance for West Indies and Ghana is \$135,000; wheat and flour for India, Pakistan and Ceylon is \$10 million.

Mr. SMITH (*Hastings-Frontenac*): There will be further supplementary estimates.

Mr. PEARSON: On this point, in regard to the Prime Minister's proposal the other night to increase the capital available to the Fund and the Bank, I think he indicated this might make possible more economic assistance from that source to any Middle East development program—it could be used for that purpose.

Mr. SMITH (*Hastings-Frontenac*): Oh, yes.

Mr. PEARSON: Well, the proposal the other night was that the guarantee to the bank should be increased from 80 per cent to 160 per cent of national capital subscribed and the fund would be increased by an amount of about \$3 billion. I am sure the minister cannot answer this question now. It is too detailed. However, could he find out what proportion of that increase has come from Canada. It is a very large increase.

Mr. SMITH (*Hastings-Frontenac*): We will do that.

Mr. MCGEE: Mr. Chairman, are we about to adjourn?

The CHAIRMAN: I notice there is only one member of the steering, or advisory, committee here. We could possibly continue for another five minutes. If it is the wish of the committee to adjourn, we will do so.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, I deliberately got this record on Canada in the minutes. I appreciate that I was not answering directly Mr. Argue's question, but on the other hand I wanted the Canadian people to know that.

Mr. ARGUE: What part of the \$4 billion was military assistance and what parts of it were loans?

Mr. LEGER: Mr. Chairman, would it help the committee if this were to be circulated this morning instead of on Monday. It gives the figures.

Mr. CRESTOHL: Mr. Chairman, can you tell us what the projected schedule is for the meetings of this committee for next week? The reasons why I ask this question are the following: I think that there is this committee and only one other committee that is now in session. I suppose by pure coincidence both meetings were called for this morning at 9:30. Of course, one cannot attend two meetings at the same time. I wonder if you would be careful, in

trying to coordinate the meetings of this committee with the meetings of the public accounts committee, to see that we do not clash again.

Mr. MCGEE: This meeting has some of the characteristics of Saturday night in a boiler factory. There are garbage trucks and people barking around in the hall. Is there not a more quiet room where we might hold these meetings?

The CHAIRMAN: Not this size.

Mr. MCGEE: What about the room off the reading room and Senate committee rooms.

Mr. SMITH (*Calgary South*): After you have considered that, I would also like to recommend that we do, as we were able to do in one other committee, and that is to approach the persons who are responsible for the printing of the minutes to see if we could get our minutes printed as quickly as possible. We were successful, in another committee, in getting them within four days after our meeting.

The CHAIRMAN: We will take these suggestions into consideration.

Mr. FAIRFIELD: I think we might adjourn. What I was going to bring up may reopen some wounds. However, I will ask the question. Has Canada ever refused to meet its obligations under the United Nations for technical assistance to any country as asked for by the United Nations?

Mr. SMITH (*Hastings-Frontenac*): Not under this government.

Mr. PEARSON: What are our obligations? Whatever we determine.

Mr. MCGEE: I am told that there are conference rooms in the east block and it appears to me that it might be a good idea to use them.

Mr. ARGUE: There are garbage trucks there also.

The CHAIRMAN: It is possible, very shortly, that we will be getting into morning sittings.

Mr. ARGUE: That was a decision of the cabinet yesterday morning.

Mr. PEARSON: Would it help the minister if I were to give him an indication of some of the questions which I hope to ask at a future meeting. I will ask some questions about the proposals in respect of the emergency force; some questions about atomic agreements and the Canadian position in respect to them; also the proposal as to the policy regarding the banning of nuclear tests, which the minister did speak about in his earlier statement, and which I would like to follow up; and also some questions on the operation of NATO.

The CHAIRMAN: Before you leave, gentlemen, we should not lose sight of the fact that Mr. Leger, the under-secretary, has a statement to make. It is wise, I think, that these questions directed to the minister be disposed of first because no one knows just what might happen over this summit meeting and when he may be called to New York or somewhere else.

Also I want to mention again, because of the objections taken to meeting while the house is in session, that this is a decision which will have to be made if we have morning sittings since it would then be unavoidable. I mentioned earlier that I would cooperate in every way in an endeavour to evade this. We had the one hour meeting on Wednesday last and that was the only one. I was going to call the steering committee together to discuss this problem, but now with the possibility that the morning sittings will commence next week—

Mr. ARGUE: My understanding is that it will be the week after next, so we have a week when we can operate somewhat on the basis that we have been.

The CHAIRMAN: You can then be prepared for quite a number of meetings next week so that we can get as much of our work through as possible before we commence morning sittings.

CANADA'S POST-WAR FINANCIAL ASSISTANCE ABROAD 1945-1958⁽¹⁾
(Millions of Canadian dollars)

	EXPENDITURES to March 31, 1955 Total	EXPENDITURES Year 1955/1956 Total	EXPENDITURES Year 1956/1957 Total	ESTIMATED EXPENDITURES Year 1957/1958 Total	TOTAL EXPENDITURES to March 31, 1958 Total
1. RECONSTRUCTION LOANS:					
Belgium.....	68.84				68.84
China.....	64.97				64.97
Czechoslovakia.....	16.67				16.67
France.....	253.45				253.45
Netherlands.....	123.95				123.95
Indonesia.....	15.45				15.45
Norway.....	23.66				23.66
United Kingdom.....	1,185.00				1,185.00
U.S.S.R.....	15.16				15.16
Suez Canal Clearance.....	—		1.00		1.00
	<u>1,767.15</u>		1.00		<u>1,768.15</u>
2. SPECIAL LOANS:					
Colombo Plan countries for purchase of wheat and flour from Canada.....				35.00	35.00
3. MILITARY ASSISTANCE:					
Balkans, Belgium, Denmark, France, Italy, Luxem- bourg, Netherlands, Norway.....	105.22				105.22
	<u>105.22</u>				<u>105.22</u>
4. GRANTS:					
(a) <i>To U.N. Agencies and Programmes</i>					
UNRAA.....	154.00				154.00
Post-UNRAA Relief.....	11.85				11.85
Intergovernmental Committee on Refugees.....	24				24
IRO.....	18.82				18.82
ICEM.....	.05	.05			.10
UNREF (Refugees).....	.15	.13	.13	.20	.61
UNICEF (Children).....	8.88	.50	.65	.65	10.68
UNKRA.....	7.25	.50	—	—	7.75
UNRWA (Palestine Refugees).....	4.04	—	.50	2.25	6.79
EPTA (Technical Assistance).....	3.86	1.48	1.77	1.93	9.04
	<u>209.14</u>	2.66	3.05	5.03	<u>219.88</u>

	101.47	26.40	34.40	34.40	196.67
<i>(c) Special Assistance:</i>					
European Flood Relief (1952).....	1.00	—	—	—	1.00
Greece (wheat—famine relief).....	.85	—	—	—	.85
Greece (earthquake relief).....	.50	—	—	—	.50
Korea (fish).....	.75	—	—	—	.75
India, Pakistan, Nepal (food and drugs—flood relief).....	.23	—	—	—	.23
Haiti (fish—hurricane relief).....	.03	—	—	—	.03
Japan (food—flood relief).....	.04	—	—	—	.04
Yugoslavia (fish).....	.04	—	—	—	.04
British West Indies (flour—hurricane relief).....	—	.05	—	—	.05
India (medical supplies—flood relief).....	—	.05	—	—	.05
Pakistan (wheat, medical supplies—famine, flood relief).....	—	.05	1.48	—	6.53
India, Pakistan, Ceylon (wheat & flour).....	5.00	—	—	15.00	15.00
Hungarian Refugees—	—	—	—	—	—
—Transportation and Assistance.....	—	—	10.47 ⁽²⁾	—	23.38
—Special Instruction Programme.....	—	—	.04	.04	.08
West Indies and Ghana (technical assistance).....	—	—	—	.15	.15
TOTAL.....	8.44	.15	11.99	28.10	48.68
<i>(d) NATO:</i>					
Military Assistance—(transfers from Can. stocks, new production items, NATO aircrew training, etc.)....	1,089.66	164.43	119.51	111.70	1,485.30
Infrastructure and NATO Budgets.....	38.99	10.54	14.04	18.30	81.87
TOTAL.....	1,128.65	174.97	133.55	130.00	1,567.17
				197.53	2,032.40
5. TOTAL LOANS, MILITARY ASSISTANCE, GRANTS	1,447.70	204.18	183.99	232.53	3,940.77
Subscriptions as valued at March 31, 1957 ⁽⁴⁾					
IBRD.....					70.86
IMF.....					290.95
IFC.....					3.52
TOTAL.....					365.33
6. GRAND TOTAL.....					4,306.10

⁽¹⁾ Excludes contributions for membership assessments in international agencies and programmes. On this basis, numerous assessments and an amount of \$909,584 provided in 1957/58 for Canada's UNEF assessment in respect of calendar years 1957 and 1958 are excluded.

⁽²⁾ This includes: (a) \$1 million for assistance of which \$350,000 went to the Red Cross, and \$650,000 to the UNHCR; (b) \$9.47 million for transportation and care of Hungarian refugees coming to Canada of which \$6.58 million is for trans-oceanic transportation, \$1.04 million for inland transportation, \$0.72 million for accommodation, and \$1.13 million for family assistance.

⁽³⁾ This includes: \$0.49 million on trans-oceanic transportation, \$1.20 million inland transportation, \$7.40 million food and shelter, \$3.60 million family assistance, \$0.22 million federal provincial assistance.

⁽⁴⁾ Represents Canada's net capital participation, i.e. original contributions adjusted for transfers reflecting the relative value of U.S. and Canadian dollars.

HOUSE OF COMMONS

Government
Publications

First Session—Twenty-fourth Parliament

1958



STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

(Amended Copy)

MONDAY, AUGUST 4, 1958

MAIN ESTIMATES OF THE DEPARTMENT OF
EXTERNAL AFFAIRS—1958-59

WITNESSES

The Honourable Sidney E. Smith, Secretary of State for External Affairs
and Mr. Jules Leger, Under-Secretary of State for External Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.

and Messrs.

Aitken, Miss
Argue,
Brassard (*Lapointe*),
Cardin,
Crestohl,
Deschatelets,
Dinsdale,
Dorion,
Fairfield,
Garland,
Herridge,
Jones,

Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Mandziuk,
Martin (*Essex East*),
McCleave,
McFarlane,
McGee,
McGrath,

Nugent,
Paul,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Van Horne,
Vivian—35.

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, August 4, 1958.

The Standing Committee on External Affairs met at 10:00 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Argue, Crestohl, Dinsdale, Fairfield, Herridge, Jones, Jung, Kucherepa, Lennard, MacLellan, Martin (*Essex East*), Mandziuk, McCleave, McFarlane, McGrath, Nugent, Pearson, Richard (*Ottawa East*), Smith (*Calgary South*), and White.

In attendance: The Honourable Sidney Smith, Secretary of State for External Affairs; Messrs. Jules Léger, Under-Secretary of State for External Affairs; W. D. Matthews, Assistant Under-Secretary of State for External Affairs; H. B. Robinson, Special Assistant to the Minister; W. T. Delworth, Private Secretary to the Minister; H. Best, Executive Assistant to the Minister; H. J. Armstrong, Financial Adviser to the Department; R. Grey, Economic Division; F. G. Hooton, Defence Liaison Division (1); A. G. Campbell, United Nations Division; and M. Shenstone, Middle Eastern Division.

Mr. Herridge rose to ask a question concerning the use of the United States Coast guard to quell a civil disturbance in Prince Rupert, B.C. The Minister stated that he had no first hand knowledge of the incident but would take the question as notice.

Following the answering of questions by the Minister and Mr. Léger, a document entitled "Canadian Economic Assistance to Less Developed Countries: 1954-1958" was distributed to members of the Committee and ordered printed as an appendix to the printed record of to-day's proceedings.

The Minister was further questioned and among other topics reference was made to the following subjects:

- (a) the McMahon Act.
- (b) the work of the International Commission in Laos, Cambodia and Viet Nam.
- (c) UNEF—UNOGIL.
- (d) Organization of American States.
- (e) NATO—Cyprus
- (f) Polish Art Treasures.

At 12:00 a.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

MONDAY, August 4, 1958.

10:00 a.m.

The CHAIRMAN: Gentlemen, I notice we have a quorum.

At the conclusion of our last meeting it was understood that Mr. Leger, the Under-Secretary, would answer a question of Mr. Argue's and then Mr. Smith, the minister, will answer various questions that arose out of our discussion.

Mr. HERRIDGE: Could I rise on a point of privilege and ask a question?

The CHAIRMAN: Yes.

Mr. HERRIDGE: I ask this question of the Secretary of State for External Affairs in view of newspaper reports to the effect that personnel of the United States Coast Guard Service came to the assistance of the Royal Canadian Mounted Police, to assist in quelling a disturbance in Prince Rupert on Sunday morning. Can the minister inform the committee if the services of the armed forces of a foreign state were officially requested in order to quell the exuberance of Canadian citizens celebrating the British Columbia centennial anniversary? Would the minister make inquiries as to the circumstances that occasioned this interference of the United States armed forces personnel in the domestic affairs of Canadians? Does the minister consider this a proper interference on the part of the United States Coast Guard Service personnel?

Hon. SIDNEY SMITH (*Secretary of State for External Affairs*): I know nothing but what I obtained from newspaper sources and I heard something over the radio. I will look into this and I will take the question as notice.

The CHAIRMAN: Mr. Leger.

Mr. JULES LEGER (*Under-Secretary of State for External Affairs*): You may recall at the last meeting Mr. Argue asked a question as follows:

Could Mr. Smith tell us the approximate total annual contribution that Canada makes to economic development and technical assistance and so forth through the United Nations?

It was then agreed I think in reply to his question that we would be circulating this morning this document which normally would have been circulated when I was about to make my own statement. The reply to Mr. Argue's question is on page 19 of what is termed the opening statement of the Under-Secretary of State for External Affairs before the standing committee on external affairs 1958, and if it is satisfactory, Mr. Chairman, this could be circulated immediately.

At the same time we could also circulate two other documents, one of which I think was circulated at the last meeting, which was the brief showing a tabulation of the total Canadian assistance in every form since the end of World War II. The second document which will be circulated this morning is the contribution of aid to various countries since 1954. It is a memorandum prepared for submission to the United Nations. This is a revised version of a paper which was available to the committee last year. If it is your wish, this could be circulated right away and they would together form the basis of any discussions to be held when I would take over.

Mr. SMITH (*Hastings-Frontenac*): I would suggest that.

The CHAIRMAN: Would it be the wish of the committee for this to be printed as an appendix to our report and then not only the committee but those who are in receipt of the report will have it for their information. Is that agreed?

Mr. JONES: Do you have copies there for circulation?

Mr. LEGER: Yes, right away.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, with your permission, I would like to refer to another specific question that was addressed to me by Mr. Fairfield. The question is as follows:

May I ask a question arising out of some statements made about uranium and the control of uranium for the production of atom bombs or nuclear weapons. Would the minister know, or would he care to say how much of the free world supply of uranium concentrates is controlled by Canada?

At the last meeting I said I would endeavour to find the answer to his question. I think the best way to answer his question is in terms of annual production, and for the coming year it is expected Canada will produce one-third of the free world's output of uranium concentrates.

Mr. PEARSON: Could the minister tell us where most of that Canadian uranium comes from?

Mr. SMITH (*Hastings-Frontenac*): I cannot. I have no breakdown as to whether it is in my own riding or Algoma East.

Mr. SMITH (*Calgary South*): I assure you, Mr. Minister, it is not in your own riding.

Mr. SMITH (*Hastings-Frontenac*): Mr. Pearson indicated that he had some questions he wished answered. One of his questions was quite specific and had reference to the International Monetary Fund and the International Bank and I can give a statement in that regard now. The question was of what general order the extent of Canadian participation would be if it were decided to give substance to the idea of expanding the resources of the International Monetary Fund and the International Bank for Reconstruction and Development along the lines suggested by the Prime Minister on the evening of July 25, at the end of the external affairs debate in the house.

Over the week-end I have gone into this problem. We had to consult with other departments and agencies of the government and my answer to this question may be a little complex. I will start by speaking about the financial structure of each of these two organizations—and I do that at the outset.

As far as the International Monetary Fund is concerned, each member of the Fund is assigned a quota. The total of these quotas amounts to \$9,000 million. The subscription of each member to the Fund is equal to its quota and it is payable, broadly speaking, to the extent of 25 per cent in gold and 75 per cent in national currencies.

The present Canadian quota, the sixth largest, amounts to \$300 million. The suggestion that the resources of the Fund be increased by 50 per cent would involve an additional Canadian contribution of \$150 million, of which 25 per cent or \$37.5 million would be payable in gold and the remaining 75 per cent or \$112.5 million in non-interest bearing Canadian dollar notes, payable on demand.

With respect to the International Bank for Reconstruction and Development, each member subscribes a certain amount of capital and this amount is essentially the same as its quota in the International Monetary Fund. Of this subscription 2 per cent is payable in gold and another 18 per cent in

national currency. This 18 per cent, however, is available to the Bank for lending only with the consent of the country concerned. The remaining 80 per cent is not paid up, but each member guarantees to pay it up if it were required to enable the Bank to meet its obligations.

It is on the basis of this 80 per cent guarantee that the Bank has been able to sell its debentures and thus to attract private capital into investment in countries which might find it difficult by themselves to attract such investment. I assume that those who purchase the Bank's debentures do so mainly on the basis of the guarantees of the financially stronger countries. It is for this reason that there is considerable attraction in the suggestion that members of the Bank should be asked—as the Prime Minister put it—to increase the guarantee element in their capital subscriptions from the present 80 per cent to 160 per cent.

Coming now to the Canadian contribution, our present subscription to the Bank is \$325 million of which 80 per cent or \$260 million represents the guarantee element. If this were to be doubled, our guarantee to the Bank would increase from the present figure of \$260 million to \$520 million.

The CHAIRMAN: Are there any questions arising out of the minister's statement?

Mr. PEARSON: I am very grateful to the minister for this information. It does give some indication of the increase and the amount that is involved for Canada. I am not saying I am objecting to it, but could the minister tell us whether this proposal—and I think this was mentioned in the House of Commons the other day—is to be discussed at the forthcoming meeting of the Bank and Fund?

Mr. SMITH (*Hastings-Frontenac*): I would not be surprised.

The CHAIRMAN: Are there any further questions?

Mr. SMITH (*Hastings-Frontenac*): Mr. Pearson asked a question on Monday last with respect to a suggestion that I threw out concerning Lebanon's neutrality. I would like to make a further statement in that regard. Maybe you will recall at the first meeting of this Committee which I attended on Monday last I made it very clear that I had thrown this out as a suggestion. We had not worked out the details but I did state on that occasion that this problem with respect to the future status of Lebanon was being considered in several capitals.

I would like to add to what I said, and I hope this will be of use to the committee. Reference has been made in public to statements by myself and by a number of others, including the Prime Minister of Ghana, to the example of Austria in this connection. I deem it desirable, subject to your agreement, to table the relevant portions of the Austrian state treaty of May 15, 1955 and the Austrian constitutional law concerning the neutrality of Austria, which came into force on November 5, 1955. The state treaty was concluded on May 15 and the relevant constitutional law was passed in November of the same year. Now, this Austrian treaty and Austrian constitutional law could be pertinent not as a wholesale and complete precedent for the consideration of the future of Lebanon although I think it would be useful for us to look at the treaty and the pertinent parts of the constitutional law.

The CHAIRMAN: Could I ask the committee whether it be the wish to have this copy included in the minutes of these proceedings at this particular point in order that it may be available for everyone?

Agreed.

Mr. SMITH (*Hastings-Frontenac*): I would like to table these documents as we received them officially. A number of governments, including Canada, took cognizance of the passing of this Austrian constitutional law.

EXTRACT FROM STATE TREATY FOR THE RE-ESTABLISHMENT OF
AN INDEPENDENT AND DEMOCRATIC AUSTRIA.

Vienna, May 15, 1955.

Article 1.

Re-establishment of Austria as a free and independent state.

The allied and associated powers recognize that Austria is re-established as a sovereign, independent and democratic state.

Article 2.

Maintenance of Austria's independence.

The allied and associated powers declare that they will respect the independence and territorial integrity of Austria as established under the present treaty.

Article 3.

Recognition by Germany of Austrian independence.

The allied and associated powers will incorporate in the German Peace Treaty provisions for securing from Germany the recognition of Austria's sovereignty and independence and the renunciation by Germany of all territorial and political claims in respect of Austria and Austrian territory.

Article 4.

Prohibition of Anschluss.

1. The allied and associated powers declare that political or economic union between Austria and Germany is prohibited. Austria fully recognizes its responsibilities in this matter and shall not enter into political or economic union with Germany in any form whatsoever.

2. In order to prevent such union Austria shall not conclude any agreement with Germany, nor do any act, nor take any measures likely, directly or indirectly, to promote political or economic union with Germany, or to impair its territorial integrity or political or economic independence. Austria further undertakes to prevent within its territory any act likely, directly or indirectly, to promote such union and shall prevent the existence, resurgence and activities of any organizations having as their aim political or economic union with Germany, and pan-German propaganda in favour of union with Germany.

The Austrian Legation presents its compliments to the Department of External Affairs and upon instructions of the Austrian federal government has the honour to convey to the Department of External Affairs the following:

On October 26th, 1955 the Austrian parliament has passed the constitutional law concerning the neutrality of Austria. This law has entered into force on November 5, 1955 and has the following wording:

Article I

(1) For the purpose of the lasting maintenance of her independence externally, and for the purpose of the inviolability of her territory, Austria declares of her own free will her perpetual neutrality. Austria will maintain and defend this with all means at her disposal.

(2) For the securing of this purpose in all future times Austria will not join any military alliances and will not permit the establishment of any foreign military bases on her territory.

Article II

The federal government is charged with the execution of this federal constitutional law.

A copy of the authentic text in the German language is enclosed.

In bringing this constitutional law to the knowledge of the government of Canada the Austrian federal government has the honour to request that the government of Canada recognize the perpetual neutrality of Austria as defined in the aforementioned law.

The Austrian Legation takes this opportunity to renew to the Department of External Affairs the assurance of its highest consideration.

Ottawa, November 14th, 1955.

The
Department of External Affairs,
Ottawa.

Mr. MARTIN (*Essex East*): First of all, Mr. Chairman, how many members are there to the treaty itself?

Mr. SMITH (*Hastings-Frontenac*): Four.

Mr. LEGER: It was negotiated by the four powers.

Mr. MARTIN (*Essex East*): By Germany, Austria—

Mr. LEGER: It was negotiated by the four great powers: the United States, the U.S.S.R., the United Kingdom and France.

Mr. SMITH (*Hastings-Frontenac*): I would like to add further that the whole idea of perpetual neutrality for Lebanon—and I emphasize it is merely a suggestion—could be developed only if it is abundantly clear that such a concept would be in accord with the wishes of the Lebanese people themselves. There have been public observations that this proposal is another instance of imposing something on a country. The text of my remarks in the house on July 25 shows that I endeavoured to make that point very clear and I can find the exact text. However, the purport of that text was that this must be acceptable to the Lebanese.

Now there is a new president. He is not yet in power and therefore during this interim period it seems premature to advance any specific plans for determining the wish of the Lebanese people in this regard. I assure the committee again that various proposals, and particularly this one with respect to some type of neutrality—a status comparable to that of Austria or comparable to that of Switzerland—might be secured and assured by the United Nations, for example, or by the great powers. I commended Mr. Martin a week ago upon his appreciation of the problem and I was interested to hear him suggest, as I did when I spoke earlier on July 25, that this might be an example that could be used, extended and modified for other countries to follow. Lebanon's unique denominational or confessional balance between Christian Arabs and Moslem Arabs; its long tradition of autonomy; and, as I have already said, the fact they have been traders: these are factors to my mind that would provide ample reason for the shaping of a special status in the first instance for Lebanon. One can run the gamut of proposals in this regard. One which I thought of over the week-end might be a type of Monroe doctrine for Lebanon. That might be a variation that could be looked at very carefully and seriously.

Mr. Chairman and members of the committee, I would like to point out with regard to these documents, which we have agreed to include in the minutes of the proceedings of this committee as an appendix, that I believe that there would have to be amendments to the concept that is embodied in these excerpts from the treaty, and from the amendments to the Austrian constitutional law. Certainly these documents should be examined very carefully.

Mr. PEARSON: I take it from what the minister has said that he feels—and I agree with him—that Canada cannot go any further than to participate in a guarantee for neutrality for Lebanon which has been requested by the Lebanese people and as long as the Lebanese people want that status.

He mentioned the alternative, a type of Monroe doctrine. You will recall that the original Monroe doctrine was declared by the United States but enforced by the British Navy. Would such a doctrine for the Middle East be declared by the Western Powers but enforced by the Soviet Army?

Mr. SMITH (*Hastings-Frontenac*): We might have the United Nations play a role in that context.

Mr. HERRIDGE: Mr. Chairman, I believe the Minister of External Affairs emphasized the point that nothing would be done against the wishes of the Lebanese people in respect of neutrality.

Mr. SMITH (*Hastings-Frontenac*): I appreciate that statement, Mr. Herridge.

Mr. MARTIN (*Essex East*): There was a reference made to this particular proposal by some of the delegates to the Security Council in recent discussions, was there not? I think you will find there was. I was reading this on Saturday.

Mr. SMITH (*Hastings-Frontenac*): You are referring to a reference made in the Security Council discussions?

Mr. MARTIN (*Essex East*): Yes, there was a reference made there.

Mr. SMITH (*Hastings-Frontenac*): I do not believe there was, at least not to our knowledge. We can check into it.

Mr. MARTIN (*Essex East*): I have sent for the document.

Mr. SMITH (*Hastings-Frontenac*): I cannot recall that this proposal was discussed in the Security Council. Certainly it was not discussed at any meetings which I attended. Of course, the discussions there were related to particular problems concerning UNOGIL, and the setting up of some instrumentality of the United Nations with a view to stabilizing the situation in Lebanon and Jordan, and with a view to the withdrawal of the United States and the United Kingdom troops.

Mr. SMITH (*Calgary South*): I wonder if I could ask the chairman how he proposes to proceed this morning? We now have before us several documents, one from the Under-Secretary of State, and I gather we are still dealing with item 85 as such. I assume we will have a general discussion this morning and then have the Under-Secretary of State's statement?

The CHAIRMAN: That is right.

At the moment we are dealing with two or three questions that remained unanswered at the close of our last meeting. We are trying to clean up those questions following which we will proceed with item 85.

Mr. SMITH (*Hastings-Frontenac*): That is what I am endeavouring to do. There was another question asked relating to disengagement.

This statement is a result of a lot of work having been done over the week-end, and I would like to make this statement in that regard. Perhaps afterwards there will be questions concerning it.

The CHAIRMAN: That will be acceptable.

Mr. SMITH (*Hastings-Frontenac*): This subject has been discussed in the NATO council, by various governments, and indeed by various individuals over six or eight months.

The plan about which we have heard the most discussion, and the plan which has emanated from a government is the Rapacki plan for a nuclear-free zone comprising the two Germanies, Poland and Czechoslovakia.

This plan was presented for consideration to various governments. We in Canada received a formal presentation of this plan from the representative of the Polish government here in Ottawa.

I also refer to another plan presented by an individual that has been discussed in the newspapers to a considerable extent. That plan was put forward by George Kennan who was at one time the Ambassador from the United States to the U.S.S.R.

The Rapacki plan as I have indicated—

Mr. MARTIN (*Essex East*): What are you referring to now?

Mr. SMITH (*Hastings-Frontenac*): I am referring to disengagement.

Mr. MARTIN (*Essex East*): You referred to one plan put forward by George Kennan. Does that plan involve troops?

Mr. SMITH (*Hastings-Frontenac*): The Rapacki plan and other plans for disengagement have been carefully considered by the Canadian government and the NATO Council, where Canada took part in the discussions. I sent a reply on July 9, 1958, to the note which I received from Mr. Rapacki. Mr. Rapacki is the foreign minister of Poland.

As this exchange of notes bears direct relationship to one aspect of the subject of disengagement I think it would be of interest to the members of the committee if I tabled the note which I received and the reply that I sent on July 9.

The CHAIRMAN: Is that the wish of the committee?

Some Hon. MEMBERS: Agreed.

WARSAW, FEBRUARY 14, 1958.

John Price Erichsen-Brown,
Chargé d'affaires of Canada;
in Warsaw.

Sir,

I wish to refer to the proposal of the Polish government concerning the establishment of the denuclearized zone in central Europe presented at the United Nations general assembly on October 2, 1957 and subsequently repeated through diplomatic channels.

In view of the wide interest which this proposal has evoked in government and political circles as well as in the public opinion of many countries, including the country which you, sir, represent, and taking into account a number of opinions expressed in connection with the Polish proposal, the Polish government has resolved to present a more detailed elaboration of its proposal.

For this purpose the Polish government has prepared the attached memorandum, which has been transmitted to the governments of the four great powers and other interested countries.

The Polish government is conscious of the fact that the solution of the problem of disarmament on a world-wide scale requires, first of all, negotiations among the great powers and other countries concerned. Therefore the Polish government supports the proposal of the U.S.S.R. government concerning a meeting on the highest level of leading statesmen with the participation of heads of governments. Such a meeting could also result in reaching an agreement on the question of the establishment of a denuclearised zone in central Europe, should an agreement among the countries concerned not be reached in the meantime. In any event the initiation at present of discussions on the question of a denuclearised zone in central Europe would contribute to a successful course of the above-mentioned meeting.

The Polish government expresses the hope, that the government of Canada will study the attached memorandum and that the proposals contained in it will meet with the understanding of the government of Canada.

Please accept, sir, the assurances of my highest consideration.

1 enclosure

ADAM RAPACKI.

MEMORANDUM FROM GOVERNMENT of POLAND

On October 2, 1957, the government of the Polish People's Republic presented to the general assembly of the United Nations a proposal concerning the establishment of a denuclearised zone in central Europe. The governments of Czechoslovakia and of the German Democratic Republic declared their readiness to accede to that zone.

The government of the Polish People's Republic proceeded with the conviction that the establishment of the proposed denuclearised zone could lead to an improvement in the international atmosphere and facilitate broader discussions on disarmament as well as the solution of other controversial international issues, while the continuation of nuclear armaments and making them universal could only lead to a further solidifying of the division of Europe into opposing blocs and to a further complication of the situation, especially in central Europe.

In December 1957 the government of the Polish People's Republic renewed its proposal through diplomatic channels.

Considering the wide repercussions which the Polish initiative has evoked and taking into account the propositions emerging from the discussion which has developed on this proposal, the government of the Polish People's Republic hereby presents a more detailed elaboration of its proposal, which may facilitate the opening of negotiations and reaching of an agreement on this subject.

I. The proposed zone should include the territory of Poland, Czechoslovakia, German Democratic Republic and German Federal Republic. In this territory nuclear weapons would neither be manufactured nor stockpiled, the equipment and installations designed for their servicing would not be located there; the use of nuclear weapons against the territory of this zone would be prohibited.

II. The contents of the obligations arising from the establishment of the denuclearised zone would be based upon the following premises:

1. The states included in this zone would undertake the obligations not to manufacture, maintain nor import for their own use and not to permit the location on their territories of nuclear weapons of any type, as well as not to install on or to admit to their territories of installations and equipment designed for servicing nuclear weapons, including missiles launching equipment.

2. The four powers (France, United States, Great Britain and USSR) would undertake the following obligations:

a not to maintain nuclear weapons in the armaments of their forces stationed on the territories of States included in this zone; neither to maintain nor to install on the territories of these States any installations or equipment designed for servicing nuclear weapons, including missiles launching equipment.

b not to transfer in any manner and under any reason whatsoever, nuclear weapons nor installations and equipment designed for servicing nuclear weapons—to governments or other organs in this area.

3. The powers which have at their disposal nuclear weapons should undertake the obligation not to use these weapons against the territory of the zone or against any targets situated in this zone.

Thus the powers would undertake the obligation to respect the status of the zone as an area in which there should be no nuclear weapons and against which nuclear weapons should not be used.

4. Other states, whose forces are stationed on the territory of any state included in the zone, would also undertake the obligation not to maintain nuclear weapons in the armaments of these forces and not to transfer such weapons to governments or to other organs in this area. Neither will they install equipment or installations designed for the servicing of nuclear weapons, including missiles launching equipment, on the territories of States in the zone nor will they transfer them to governments or other organs in this area.

The manner and procedure for the implementation of these obligations could be the subject of detailed mutual stipulations.

III. 1. In order to ensure the effectiveness and the implementation of the obligations contained in part II, para 1-2 and 4, the states concerned would undertake to create a system of broad and effective control in the area of the proposed zone and submit themselves to its functioning.

This system could comprise ground as well as aerial control. Adequate control posts, with rights and possibilities of action which would ensure the effectiveness of inspection, could also be established.

The details and forms of the implementation of control can be agreed upon on the basis of the experience acquired up to the present time in this field, as well as on the basis of proposals submitted by various states in the course of the disarmament negotiations, in the form and to the extent in which they can be adapted to the area of the zone.

The system of control established for the denuclearised zone could provide useful experience for the realization of broader disarmament agreement.

2. For the purpose of supervising the implementation of the proposed obligations an adequate control machinery should be established. There could participate in it, for example, representatives appointed (not excluding *ad personam* appointments) by organs of the North Atlantic Treaty Organization and of the Warsaw Treaty. Nationals or representatives of states, which do not belong to any military grouping in Europe, could also participate in it.

The procedure of the establishment, operation and reporting of the control organs can be the subject of further mutual stipulations.

IV. The most simple form of embodying the obligations of states included in the zone would be the conclusion of an appropriate international convention. To avoid, however, complications, which some states might find in such a solution, it can be arranged that:

1. These obligations be embodied in the form of four unilateral declarations, bearing the character of an international obligation, deposited with a mutually agreed upon depositary state:

2. The obligations of great powers be embodied in the form of a mutual document or unilateral declarations (as mentioned above in para 1);

3. The obligations of other states, whose armed forces are stationed in the area of the zone, be embodied in the form of unilateral declarations (as mentioned in para 1).

On the basis of the above proposals the government of the Polish People's Republic suggests to initiate negotiations for the purpose of a further detailed elaboration of the plan for the establishment of the denuclearised zone, of the documents and guarantees related to it as well as of the means of implementation of the undertaken obligations.

The government of the Polish People's Republic has reasons to state that acceptance of the proposal concerning the establishment of a denuclearised zone in central Europe will facilitate the reaching of an agreement relating to an adequate reduction of conventional armaments and of foreign armed forces stationed on the territory of the states included in the zone.

THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
CANADA.

OTTAWA, July 9, 1958.

Mieczyslaw Sieradzki, Esq.,
Chargé d'Affaires a.i. of Poland,
10 Range Road,
Ottawa, Ontario.

Sir:

I have the honour to refer to your government's note and memorandum of February 14, 1958 which were delivered to the Canadian Chargé d'Affaires in Warsaw, and which set out certain proposals concerning the establishment of a denuclearized zone in central Europe.

The Canadian government has welcomed this initiative of the Polish government and has studied carefully the proposals in the memorandum because, like the Polish government, it is anxious to explore any proposal which might give some hope of providing an equitable basis for progress towards a disarmament agreement. The Canadian government attached particular importance to the Polish government's recognition that any agreement should be supported by an effective control and inspection system. However, in the course of our consideration it has become apparent that this plan for a first step toward disarmament in Europe falls short of the requirements for a successful limited approach to the major problem and therefore could not be expected to provide a basis for negotiating an equitable agreement.

This judgment does not, in the Canadian view, necessarily exclude the possibility of negotiation leading to an agreement limited as to region or subject, but any such approach would, in order to be acceptable, have to contribute towards an increase in mutual confidence and at the same time not complicate the solution of other problems. The Canadian government remains concerned, as does the Polish government, over the continued failure to achieve much progress on disarmament and we therefore remain ready to examine suggestions which might be expected to lead by stages to the final aim.

The participation of scientists from the major powers and from other interested countries, including Poland and Canada, in the conference at Geneva to study the detection of nuclear tests, is evidence of a widely held hope that solutions to special aspects of the disarmament problem may contribute to a general settlement. For this reason we are grateful for the initiative of the Polish government which, although it has failed to gain acceptance, has usefully served to stimulate the study of regional disarmament proposals and has brought us closer to an understanding of the inter-relationships between them and general disarmament. Such opportunities, which test the areas of confidence, cannot fail to contribute in the long run to progress on this vital problem. I therefore hope that the Polish government will continue its efforts to bring about a rapprochement of views in the field of disarmament and that the Canadian government will be given an opportunity to learn of any further ideas which, as a result of the reaction to their initiative and

taking into account the consequence of the Geneva meeting of experts, the Polish government may formulate in an endeavour to achieve this objective.

Accept, sir, the renewed assurances of my highest consideration.

Secretary of State for External Affairs.

Mr. SMITH (*Hastings-Frontenac*): While the concept and even the impression created by the word "disengagement" is an attractive one, it is apparent that the specific proposals for disengagement must bear careful scrutiny to ensure that they do not adversely affect the strategic position of the alliance—that is the north Atlantic alliance—and that they do not complicate the solution of other problems.

They must also be considered in relation to the broader measures of disarmament on which we have been trying for many years, to come to an agreement with the Soviet Union.

After careful consideration we and our partners in NATO agreed that the Rapacki proposal for a nuclear-free zone in central Europe—I say these words very slowly and give them to you very carefully—could not be considered as a basis for negotiation since it would have placed the military forces of the alliance at a disadvantage. It therefore failed to meet the requirements of an equitable limited approach to disarmament.

The fact that the Rapacki plan did not prove acceptable does not, however, in our view necessarily exclude the possibility of further negotiations leading to an agreement limited as to region or subject, but any such approach would, as I have indicated in my note to Mr. Rapacki, in order to be acceptable, have to contribute toward an increase in mutual confidence and at the same time not complicate the solution of other problems.

The government attached particular importance to the Polish government's recognition that any regional proposals must be supported by an effective control and inspection system.

Mr. MARTIN (*Essex East*): Do I understand that when you now say "effective control" these are your observations of the plan?

Mr. SMITH (*Hastings-Frontenac*): Yes. The Polish government in Rapacki's plan referred—this was encouraging—to the necessity for inspection and control.

Mr. MARTIN (*Essex East*): Is there any known Soviet Union comment on the Polish plan for a nuclear-free zone?

Mr. SMITH (*Hastings-Frontenac*): Not to my knowledge, but we do know that the Polish government would not have put this plan forward unless there was approval. I think we can count on a favourable reaction by the U.S.S.R.

Mr. MARTIN (*Essex East*): Yes.

Could the minister tell us—and I ask this only for information—how this differs from the proposal that was made by our side some time earlier for a plan that would permit, as a pilot project, based upon control and inspection, and that kind of thing, which Mr. Eden had in mind in 1955?

Mr. LEGER: I think the main difference, Mr. Chairman, was that the Eden proposal was a pilot project applying to a rather smaller zone whereas the Rapacki plan had definite frontiers placing West Germany on our side and East Germany, Poland and Hungary on the other side.

Indeed one of the complicating factor was that the Rapacki plan was no longer a pilot program if it applied to such a wide zone.

Mr. MARTIN (*Essex East*): The Eden plan applied to East and West Germany providing for a pilot project involving these two sections of Germany, excluding Hungary of course.

Mr. LEGER: The Eden plan was indeed based on the demarcation line, but it did not go as far in either direction as the Rapacki plan.

Mr. PEARSON: Is it not true that the Eden plan provided for a neutralization and disarmament of that particular zone where the Rapacki plan merely provides for the abolition of nuclear weapons inside this zone?

Mr. LEGER: Yes, that is my recollection of the Eden plan.

Mr. MARTIN (*Essex East*): Assuming that to be the case, and if the Soviet Union gave approval to this plan, and that approval included our concept of the kind of control and inspection which we consider necessary in any partial or complete plan for disarmament, I should like to know more about our reasons for objecting to this particular plan.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, the Rapacki plan included a much wider zone on each side than the Eden plan and that would involve the retirement of, let us say, the United States troops to the disadvantage of the alliance, and therefore reduce its military defence.

Mr. MARTIN (*Essex East*): Perhaps the real reason for our objection, I suggest, is the difficulty in regard to a scientific system for detecting whether or not a nuclear-free zone is in effect being observed by both sides. Is that not likely the reason?

Mr. SMITH (*Hastings-Frontenac*): That is one of the reasons, Mr. Chairman.

If we could make some headway with the region with respect to Mr. Eisenhower's proposal, and the qualified acceptance by the U.S.S.R. and the United States relating to surprise attacks—that technical information would come out of a meeting of scientists comparable to the group who are now convened in Geneva in respect to nuclear tests and detecting nuclear tests—we would have made some advance in regard to the terms of control and supervision.

Mr. PEARSON: Is it not true that the important reason for objecting to this plan is, that under it the west would be deprived in this zone of its main weapon of defence, that is tactical atomic weapons, and the Soviet Union on the other hand would be allowed to maintain its conventional fighting forces in huge numbers?

Mr. SMITH (*Hastings-Frontenac*): That is what I had in mind, Mr. Chairman, when I said that this plan would weaken us inequitably in so far as the forces in Europe under NATO are concerned.

I would ask for permission at this time to read a part of my reply to Mr. Rapacki on July 9, 1958.

The Canadian government has welcomed this initiative of the Polish government and has studied carefully the proposals in the memorandum because, like the Polish government, it is anxious to explore any proposal which might give some hope of providing an equitable basis for progress towards a disarmament agreement. The Canadian government attached particular importance to the Polish government's recognition that any agreement should be supported by an effective control and inspection system. However, in the course of our consideration it has become apparent that this plan for a first step toward disarmament in Europe falls short of the requirements for a successful limited approach to the major problem and therefore could not be expected to provide a basis for negotiating an equitable agreement.

This judgment does not, in the Canadian view,—

And this, to my mind is a forthcoming observation—necessarily exclude the possibility of negotiation leading to an agreement limited as to region or subject, but any such approach would, in order to be

acceptable, have to contribute towards an increase in mutual confidence and at the same time not complicate the solution of other problems.

I would just like to make this further observation, Mr. Chairman. That is, we are continuing our consultations within the NATO Council on the broader, as well as the more limited forms of disarmament including ideas which fall, under the heading of disengagement.

The CHAIRMAN: Are there any questions arising out of the minister's statement?

Mr. MARTIN (*Essex East*): What is the date of this Polish proposal?

Mr. SMITH (*Hastings-Frontenac*): It was proposed some time ago. The date is February 14.

Mr. MARTIN (*Essex East*): Is this proposal referred to in the white paper?

Mr. SMITH (*Hastings-Frontenac*): No, that had to do only with discussions at the United Nations for the year 1957.

Mr. KUCHEREPA: Is it not true that the main desire in the Rapacki plan is to undermine the strength of our NATO forces in continental Europe?

Mr. SMITH (*Hastings-Frontenac*): I have discussed this with the Polish Charge d'Affaires, and have read the discussion in the NATO Council. I would say that there was real anxiety on the part of the Polish government motivating this proposal, and therefore a corresponding note of sincerity.

Mr. MARTIN (*Essex East*): What was the reaction of other powers to the Polish proposal?

Mr. SMITH (*Hastings-Frontenac*): I recall that the United Kingdom, in response to the same communication which we received, rejected it. While we were at Copenhagen, or just about that time, the United States also rejected the Rapacki plan.

Mr. JONES: Was this proposal discussed in the NATO Council?

Mr. SMITH (*Hastings-Frontenac*): Oh yes, this proposal has been discussed repeatedly and continuously.

Mr. JONES: There was more or less uniformity of opinion in regard to the way this project should be dealt with?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. PEARSON: I would like to get the minister's opinion in regard to another wider form of disengagement which presumably has also been discussed in the NATO council, under which there would be no outside forces of any kind in Poland, Czechoslovakia, East and West Germany. That would mean that the United States forces would withdraw, and the Russian forces would withdraw, and in return for that withdrawal there would be free elections and self government of Germany and the satellites without Russian forces being present. On the other side there would be the withdrawal of Germany from the North Atlantic Treaty Organization. That is a much more comprehensive form of disengagement.

Mr. SMITH (*Hastings-Frontenac*): That situation has been considered.

The CHAIRMAN: Are there any further questions?

Mr. MARTIN (*Essex East*): When was mention first made of the Polish plan?

Mr. SMITH (*Hastings-Frontenac*): I read about it in the newspapers on the day of the communication.

Mr. MARTIN (*Essex East*): There was reference made in some form or other at the last assembly in 1957.

Mr. SMITH (*Hastings-Frontenac*): Yes. The Undersecretary informs me that this was projected. I do not recall that it was projected in the same detail

as set forth in the memorandum which was sent with this note bearing the date of February of this year.

But it was projected by the Polish foreign minister in the general assembly last autumn, I think just before the meeting of the NATO council, the heads of government meeting.

There was a letter at that time sent to the various countries in which the proposal in essence—not identically—was put forward by the U.S.S.R. That is why I said six or eight months. That is why I used that term.

Mr. PEARSON: I take it that the minister does not wish to comment on the advantages or the disadvantages of a more comprehensive plan?

Mr. SMITH (*Hastings-Frontenac*): I would like to think that over. As Mr. Pearson and other members of the committee realize, there are political implications in so far as Germany is concerned.

Mr. HERRIDGE: Which plan is that?

Mr. SMITH (*Hastings-Frontenac*): I am referring to the plan which came from Poland.

The CHAIRMAN: Are there any further questions? If not, may we now proceed with a statement from the Undersecretary?

Mr. McCLEAVE: With reference to the Monroe doctrine and Lebanon, my understanding is that the Monroe doctrine is always a sort of unilateral, hands-off policy.

Who would be proclaiming that hands-off policy in the situation the minister has hinted at?

Mr. SMITH (*Hastings-Frontenac*): The great powers; but I would prefer of course endorsement by the United Nations and some instrumentality set up by the United Nations to assure observance, and the implementation of such a general concept.

Mr. McCLEAVE: That would be up to the great powers?

Mr. SMITH (*Hastings-Frontenac*): I hope that the United Nations would be involved in it.

I have another statement. I am trying to clean up questions which have already been asked. There was a question asked last week with respect to the effects of the amendments to the US Atomic Energy Act.

I think we had amendments to the so-called McMahon Act or Atomic Energy Act by the Congress recently.

I have already referred twice to this subject in the House of Commons in answer to questions: once on July 1, and again on July 7. There is little I can add to these statements. But for the committee I shall endeavour to summarize the situation with respect to the effect of these amendments on Canada.

I cannot, from the standpoint of the Department of External Affairs, go into this field in any detail because this has to do with national defence and it is primarily a matter for my colleague the Minister of National Defence, and his department.

But to summarize:

—following certain proposals made last January by the administration, the U.S. Congress has amended the U.S. Atomic Energy Act, first passed in 1946 and subsequently amended in 1954. The purpose of these amendments was to make easier the transfer by the U.S. government of non-nuclear parts, special nuclear materials and certain restricted data relating to the use of atomic weapons to friendly countries who entered into an agreement with the United States for this purpose.

The amendments do not affect the provisions of the act which forbid the transfer of nuclear components of weapons which, if manufactured in the United States, must remain in the custody of United States personnel. Furthermore, amendments added by the Congress establish that only those nations who have made substantial progress in the development of atomic weapons may benefit from the provisions relating to the transfer of non-nuclear parts of atomic weapons, special nuclear materials for research on or developments of atomic weapons and restricted data concerning atomic weapons.

Nevertheless, nations such as Canada, who may not qualify under this provision of the act, could benefit from the amended act in the following ways:

- (a) they may receive certain non-nuclear materials such as military reactors which they were prevented from doing before;
- (b) they may receive certain additional information relating to the military applications of atomic energy.

Finally, I should like to point out that the amendments to the act leave unchanged the proviso that any part or section of the act which may conflict with an international agreement approved by the Congress entered into after the enactment of the act is of no force or effect. Thus an international agreement could be made with a friendly country such as Canada for the transfer of information or materials not permitted by the act, if approved by Congress.

I conclude, therefore, that if, under the terms of its present agreement with the United States, Canada should decide, for whatever reason, that a more liberal agreement is necessary, the possibility exists for it to negotiate such an agreement, as the United Kingdom has just done.

Whether in fact such a new agreement may be necessary I am not in a position to say.

Mr. PEARSON: I have several questions on this matter which I think is of very considerable importance.

I have studied the amendments to the act, and I agree that in some respects they liberalize existing procedures in regard to the exchange of information and weapons in the non-nuclear field. But the amendment makes a distinction between the United Kingdom on the one side and other countries on the other side.

Mr. SMITH (*Hastings-Frontenac*): It is admitted that the United Kingdom has substantial know-how.

Mr. PEARSON: That is right. Therefore, in order to benefit from this, in so far as the exchange of atomic weapons is concerned, you must also have made certain progress in the production of those weapons.

As the minister knows—he mentioned this the other day—we on this side have put forward a proposal against the production of such weapons by any of the countries not now producing them.

I do not want that to be misunderstood as indicating that I am opposed to the transfer from the producing power to a friendly power of already manufactured weapons. That is quite different than manufacturing them. I want to find out exactly under this amendment what the position is in regard to such transfers. It can be done with the United Kingdom, but it cannot be done with Canada.

In that sense the policy appears to be a departure from that of Canada-US-UK atomic co-operation embodied in the Combined Policy Committee. Let me give a specific illustration and the minister will correct me if I am

wrong. Under this amendment, which has just come into law, a Canadian Bomarc squadron could operate in the North American defence command under a United States commander with a Canadian deputy commander, but it could not have at its disposal under its own Canadian control Bomarc missiles with nuclear warheads, is that not so?

Mr. SMITH (*Hastings-Frontenac*): That is part of NORAD.

Mr. PEARSON: A Canadian squadron armed in that way, under this amendment, would be prevented from having under its control a missile with a nuclear warhead which would be in the possession of an American squadron in the same command would have.

Mr. SMITH (*Hastings-Frontenac*): Perhaps the Undersecretary might comment.

Mr. LEGER: That is not my understanding, since even if the Bomarc itself was stationed in Canada, the atomic warhead would still be under the custody of the Americans, as is still the case, under the new legislation, for American atomic warheads placed in Bomarcs, in the United Kingdom.

The atomic component itself always remains under the custody of the United States even under this new legislation.

Mr. PEARSON: Is it not true, however, that the United Kingdom, under this legislation, could have its own Bomarc weapons with nuclear warheads manufactured in the United Kingdom?

Mr. LEGER: Yes.

Mr. PEARSON: That is not possible for Canada. Canada cannot receive these because they are not manufactured here. We do not manufacture the actual nuclear warhead and therefore there is that distinction. I think that is the case under the law.

What the Undersecretary says is correct. If it were a U.S. nuclear warhead in the United Kingdom, the United Kingdom would have no more control over it than we would have if it were in Canada, as was said a few moments ago. I was not aware until the Minister mentioned it a few moments ago that under this amendment, I presume under section 123, it would now be possible for Canada to make the same kind of an agreement with the United States, as the United Kingdom has done, or did I get the wrong impression?

Mr. SMITH (*Hastings-Frontenac*): No. I said it would not be possible because we have not been producing nuclear weapons. The test, as I interpret it with the text of the amendment before me, is this: That the country has made substantial progress, and that they have the "know-how".

That is true only of the United Kingdom. We have not reached that stage.

Mr. PEARSON: What was the Minister referring to when he spoke of an agreement we could now negotiate with the United States?

Mr. SMITH (*Hastings-Frontenac*): Subject to subsequent approval by Congress.

Mr. PEARSON: Would that cover nuclear weapons?

Mr. SMITH (*Hastings-Frontenac*): It could, but the Congress would have to approve.

Mr. PEARSON: Can Congress approve of an agreement by which we would be put in a position of being able to exchange military information and nuclear weapons which would make it possible for us to manufacture them in Canada if we so desired?

Mr. SMITH (*Hastings-Frontenac*): It could, but such an agreement would have the effect of over-riding the amendment. We are not asking for such an agreement.

Mr. PEARSON: No. But that kind of agreement if made would override the provisions of section 144C under which the United Kingdom made its agreement?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. PEARSON: There is another section, 123, which provides for entering into an agreement with the United States for the exchange of information. That does not apply to an agreement in so far as the manufacturing of the weapon is concerned, but for a general exchange of nuclear information.

Has Canada entered into an agreement with the United States, or does Canada propose to enter into an agreement with the United States, having in mind this last section?

Mr. SMITH (*Hastings-Frontenac*): It has not entered into an agreement. But that would be a matter of government policy.

Mr. PEARSON: If that is not the case,—and I understand that there would not have been time to enter into such an agreement since the passage of these amendments—then we in Canada—would have to enter into an agreement to get the benefit of these liberalizing procedures in regard to the exchange of information under this amendment—?

Mr. SMITH (*Hastings-Frontenac*): Yes.

The CHAIRMAN: Are there any further questions?

Mr. CRESTOHL: Is it known to what extent France is becoming an atomic weapon power? Has it been discussed in the United Nations?

Mr. SMITH (*Hastings-Frontenac*): We have nothing in that regard except the public statements that have been attributed to General De Gaulle that they would like to be in a position such as the United Kingdom to qualify, subject to the proviso in the amendment, to the end that they would get the know-how.

Mr. CRESTOHL: Have they requested to receive those benefits?

Mr. SMITH (*Hastings-Frontenac*): To my knowledge they have not reached that stage yet. I mean France has not.

Mr. CRESTOHL: You mean they have not reached that stage in production?

Mr. SMITH (*Hastings-Frontenac*): Or in development.

Mr. CRESTOHL: But it is on record at the United Nations, and General De Gaulle has said it.

Mr. SMITH (*Hastings-Frontenac*): No. All I rely upon is the public statement which has been attributed to him. I recall no discussion in the United Nations.

Mr. CRESTOHL: To what extent is it known that France is developing, or has developed the possibility of producing nuclear weapons?

Mr. SMITH (*Hastings-Frontenac*): I am unable to answer at what stage they are in their scientific development.

You spoke of the United Nations. This is a bilateral agreement with the United States. I do not recall any representations made by France to the United Nations in this regard.

Mr. HERRIDGE: You are speaking of newspaper reports?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. HERRIDGE: In the same regard as we have read where United States personnel was used recently to quell exuberance in British Columbia?

Mr. SMITH (*Hastings-Frontenac*): We are not in a position to ask France officially: "Where are you in the development of the nuclear warhead, or any of the various types to be found in the nuclear family of military devices in this regard?"

Mr. PEARSON: Congress passed this agreement. The joint committee on atomic energy in its report, No. 1849, stated that it was not the intention of this amendment to encourage additional nations to develop additional nuclear weapon capabilities.

But if in effect the only way you can get the complete exchange of know-how and information and help in the manufacture of nuclear weapons is to qualify under section 144-C as a nation which has already made substantial progress, isn't that likely to encourage, rather than to discourage, other countries going into the production of nuclear weapons and reaching the point where they can even ask the United States to help them?

Mr. SMITH (*Hastings-Frontenac*): I might look at it another way: that it might discourage other nations. It is so expensive; the cost is so tremendous that it might well bankrupt a nation which does not have a strong financial backbone to enable them to carry on this development.

Mr. JONES: The implication left here I think could be qualified, and that is: in embarking upon a greater degree of exchange with respect to atomic energy, this happens automatically in the case of a new nation achieving information about nuclear weapon development. I take it that it is not automatic procedure at all; it is still subject to the control of the American government?

Mr. SMITH (*Hastings-Frontenac*): It is not automatic. I think the agreement reached in this case with the United Kingdom is still on the table for 30 days. I think that normally such an agreement is tabled for 60 days.

Mr. JONES: If it is automatic under their law, then there might be some validity in the suggestion which Mr. Pearson has made.

Mr. SMITH (*Hastings-Frontenac*): Three months, that is the law. Possibly when the Congress met, they might go further into the administration of it in entering into such an agreement.

Mr. PEARSON: Congress does not have to act under 144-C. The President can act alone if he wants to, but Congress can throw it out.

Mr. SMITH (*Hastings-Frontenac*): That is a safeguard.

Mr. PEARSON: That is a safeguard. This is the report that I mentioned and I am quoting from it. "The joint committee is of the opinion that closer collaboration should be had between the United States and Great Britain in the atomic weapons field." It makes a case for special arrangements with Great Britain. Would you not agree that in view of the close association between the United States and Canada which we should have in continental defence, that the collaboration in this field should be as close between our country and the United States as that between the United States and Great Britain?

Mr. SMITH (*Hastings-Frontenac*): I shudder when I think of the development and production of nuclear weapons in Canada. The figures which Mr. Dulles gave me when he was in Ottawa over two weeks ago were just stupendous and were astronomical in character. I was surprised to find that the development of smaller weapons in the family of nuclear weapons could involve a greater outlay and expenditure than the development of some of the larger weapons. I pointed out last week to the committee that up to now the United States and the United Kingdom have had the capacity to supply these weapons for their partners in the North Atlantic alliance. I would express the view that I expressed the other day that I shudder about the development and production of these weapons by other countries.

Mr. MARTIN (*Essex East*): All of that would perhaps be a very effective argument as to why Canada should not engage itself in the production of atomic weapons, but with great respect it does not answer the question put by Mr. Pearson in which he asked the minister if he did not believe in view of the character of our continental defence arrangements that Canada should be put in supply.

Mr. SMITH (*Hastings-Frontenac*): I gave an answer to Mr. Pearson's question.

Mr. JONES: One of the implications that seems to have arisen out of the earlier questions in this connection was the implication that Canada had been in recent years in full exchange with the Americans on nuclear development, and of course that is not so.

Mr. PEARSON: Mr. Chairman, is it not correct that from the beginning of atomic development during the war, with the Manhattan project and other projects of Canada and the United Kingdom, that almost from the beginning such development was on a three-power basis, embodied in a committee called the combined policy committee, in which Canada was on exactly the same footing in regard to the exchange of information as the United States and the United Kingdom; and that we now have the United States and the United Kingdom on a special level of collaboration in the exchange of information, in which Canada is not included. The minister has said that there is a way of providing for an exchange of military atomic information, through agreement under this U.S. law, and perhaps it could be brought about that way. But the point I am trying to make is that when defence collaboration between Canada and the United States is as close as that between the United States and the United Kingdom, procedures in regard to the exchange of military information, defence information and armaments information should be equally close as they are between the United Kingdom and the United States.

Mr. SMITH (*Hastings-Frontenac*): I am not unhappy about the arrangement; indeed, I approve of it and endorse the special arrangements between the United Kingdom and the United States in this regard. I will be very interested, Mr. Chairman, if this committee advises the government that we should go into the field of development and manufacture of nuclear weapons.

Mr. PEARSON: That is not what I am suggesting. Nobody wants to get into the production of nuclear weapons and, as a matter of fact, we have made a proposal in the House which would prevent that; by every country that is not now producing them, making a self-denying resolution at the United Nations. But what I am suggesting is, will it not be ultimately an intolerable condition for a Canadian squadron to be serving in the same command as an American squadron, and the Canadian squadron having inferior weapons to the American squadron—inferior in the sense of not having nuclear components;—or at least they are not under Canadian control and cannot be brought under Canadian control except by decision of the United States government. That is the present situation. I am merely suggesting that perhaps the time has come to change that. Maybe that is what Mr. Pearkes is doing in Washington this week.

Mr. JONES: To keep the record straight, is not one of the significant advantages of this the fact that Britain is to have this information whereas previously she did not have it?

Mr. MARTIN (*Essex East*): I do think that there is a very important principle here, Mr. Chairman, that the minister possibly is not fully appreciating in the character of Mr. Pearson's question. As Mr. Pearson has just indicated, he has not been urging that Canada get into the production of these weapons, but that in view of the close defensive arrangements between the United States and Canada, we should share not less in this particular than the United Kingdom. He has invited the minister to comment on that. Does the minister not feel that that is a perfectly legitimate field of inquiry?

Mr. SMITH (*Hastings-Frontenac*): I just reiterate; I am not unhappy about the United Kingdom-United States arrangement.

Mr. PEARSON: We are not unhappy about it either; but that is not the point. The point is that surely the Americans can send us up a Bomarc for a

Canadian squadron, and say "fine; it is your own, if you pay for it". But when they send us up a nuclear warhead for the Bomarc for a Canadian squadron they say, "you can use it if we permit you to use it. You can store it on your station but you cannot use it until we permit you to use it."

Mr. SMITH (*Hastings-Frontenac*): There is no question about storing nuclear warheads in Canada.

Mr. KUCHEREPA: The crux of the matter lies in this: in regard to the production and development of these weapons the United Kingdom and the United States have these special arrangements, whereas we are not in this particular field or development and production and therefore we have very little need for this kind of information; would that be summarizing the situation fairly?

Mr. SMITH (*Hastings-Frontenac*): Yes, I would suggest that.

Mr. MARTIN (*Essex East*): Can we have an answer to that?

Mr. SMITH (*Hastings-Frontenac*): I am not treating it as a question. I treat it as an observation.

Mr. MACLELLAN: I wonder, Mr. Chairman, if the same argument could be used by France, and if the purpose of the amendment was not to limit the distribution of atomic weapons?

Mr. HERRIDGE: In following up what Mr. Pearson said, and I thought there was a great deal of validity in his view. In effect, the present proposals make our air force immobile and brings it completely under the command of the United States.

Mr. PEARSON: I did not say that.

Mr. SMITH (*Hastings-Frontenac*): As I suggest, when it comes down to the equipment of our military forces, and the air force, you should address these questions, as I said at the outset, to the Minister of National Defence.

Mr. DINSDALE: Could I ask this question by way of clarification to verify my own curiosity? I take it from this discussion that Canadian squadrons should not use atomic warheads until some special measure had been approved by Congress?

Mr. KUCHEREPA: No, NORAD covers that.

Mr. SMITH (*Hastings-Frontenac*): No, it is part of NORAD.

Mr. PEARSON: The approval has to be from Washington.

Mr. KUCHEREPA: It is still under NORAD.

Mr. DINSDALE: Not by a special measure from Congress.

Mr. SMITH (*Hastings-Frontenac*): No, not for the arming of NORAD.

Mr. DINSDALE: It would need a very quick decision.

Mr. SMITH (*Hastings-Frontenac*): Too quick, perhaps.

The CHAIRMAN: We will now ask the Under-Secretary to proceed.

Mr. MARTIN (*Essex East*): I have a question—and I am sorry I was not here last week. I do not know whether the minister dealt with a question of commissions in Indo-China. He has already announced that the international commission in Laos has adjourned *sine die* but that in Cambodia that has not yet been effected—although there is some indication that it may be.

Mr. SMITH (*Hastings-Frontenac*): The intention has been expressed.

Mr. MARTIN (*Essex East*): Well then, has there been any request made by any country not on those commissions that the commission in Cambodia should not adjourn *sine die*—or says it is an operation apart from any member of the commission. May I clarify my question? There was a suggestion, I understand, some time ago that the commission in Cambodia might be used to arbitrate boundary matters between Viet Nam and Cambodia.

Mr. SMITH (*Hastings-Frontenac*): We took the stand that that was not within the terms of reference or instructions.

Mr. MARTIN (*Essex East*): Yes, I agree, that the Canadian government took the position that the boundary disputes were not within the terms of the Geneva accord. But is there pressure now being exerted on Canada that she should not bring about an abandonment of the commission in Cambodia for the reason that it is now thought desirable that the commission should deal with such matters as boundary disputes between the two countries?

Mr. LEGER: Mr. Chairman, I wonder if the distinction could not be established between the pressure that may be exerted by the government of Cambodia and the pressure within the commission to stay or to leave. If Mr. Martin refers to pressure within the commission—

Mr. MARTIN (*Essex East*): I was referring to a request from outside the commission.

Mr. LEGER: Therefore, from the government of Cambodia.

Mr. MARTIN (*Essex East*): Not necessarily from the government of Cambodia—from other governments as well.

Mr. LEGER: I think I would like to refer back to the major reason why the government has decided to withdraw from the commission in Laos—and that was at the specific request of the government of Laos. If similar requests came from the government of Cambodia, naturally I would presume the government would also take that into consideration, and decide to press for withdrawal. That request from the government of Cambodia has not come—had not come, four or five days ago.

Mr. MARTIN (*Essex East*): I do not know whether I misunderstood what the Under-Secretary said—that the reason for the action taken at Laos was because of the request of the government of Laos.

Mr. LEGER: The main reason.

Mr. MARTIN (*Essex East*): The government of Laos now, for several years, has asked for the commission to get out of Laos.

Mr. SMITH (*Hastings-Frontenac*): As I said in the house, we regarded the task of the supervisory commission in Laos as completed after the supplementary elections on May 4.

Mr. MARTIN (*Essex East*): Yes. But what I really have in mind—I am not so much concerned about Laos. I think the course taken in Laos was correct. Our record on these commissions has been correct, and in accordance with the provisions of the Geneva conference, that I am sure we are all anxious to see that position maintained. But I have heard it suggested that, with regard to the Cambodian arrangement, consideration has been given to altering what seemed to be the decision we were about to make, because of the view urged upon us by other countries.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, I am trying to be helpful. If the countries could be identified it would enable us to answer the question more completely. But so far as I am concerned, as minister, I do not know what Mr. Martin is talking about.

Mr. MARTIN (*Essex East*): I do not want to go any further.

Mr. PEARSON: I do not mind going further. Is the United States trying to keep the Cambodian commission in existence or is India or any other government preventing us from withdrawing from it?

Mr. SMITH (*Hastings-Frontenac*): I am not conscious of any pressure from the United States in this regard.

Mr. HERRIDGE: No representations whatsoever?

Mr. SMITH (*Hastings-Frontenac*): Not to my knowledge.

Mr. MARTIN (*Essex East*): Is it thought, then, that the commission in Cambodia is likely to be disbanded in the way that action has been taken in Laos, within the foreseeable future?

Mr. SMITH (*Hastings-Frontenac*): Yes, in a few months Mr. Martin said in the house it was an ingenious device—and that is a fair description—the Poles on the commission did not move in favour of it. India and Canada took this stand bilaterally as a procedural matter.

Mr. MARTIN (*Essex East*): It was really a compromise arrangement between India and Canada, was it not?

Mr. SMITH (*Hastings-Frontenac*): It was.

Mr. MARTIN (*Essex East*): With regard to the situation in Viet Nam—that I take it is more indefinite—that the Canadian government regards the continuation of the commission there as desirable and in accordance with the provisions of the 1954 arrangement?

Mr. SMITH (*Hastings-Frontenac*): Oh, yes; we take that view. We cannot get out of Viet Nam yet—south and north.

Mr. MARTIN (*Essex East*): Is there any possibility when the time may be opportune for the holding of free elections which would make that possible?

Mr. LEGER: That would be one of the conditions of reunification naturally; and it would appear that that is neither for tomorrow nor next year—at the rate things are going.

Mr. SMITH (*Hastings-Frontenac*): Any inquiries I have made would not indicate that there is any *terminus ad quem* there in prospect.

Mr. PEARSON: I have a question I brought up the other day which the minister has perhaps overlooked. It was about the United Nations emergency force, which he mentioned in his first statement. Could he tell us what discussions took place at the last Assembly in regard to establishment of a permanent force, and the attitude adopted then? I am not sure whether it was discussed at the last Assembly or not.

Mr. SMITH (*Hastings-Frontenac*): Yes, it was, in one aspect. I have a document here which is long. I think it would take too much time to read it, but perhaps I could give a digest of it to the committee. I do recall that last week I talked about obstacles that the previous efforts to create a United Nations force had encountered. I did not mention all of them. I referred to them by name—the United Nations guard and the United Nations legion. This whole question has taken a long time and indeed my recitation of the past incidents would be distressing as well as long because this is an outstanding example of frustration and evasion and indeed of a kind that has worried the Canadian government. But I would point out, Mr. Chairman, that reasonable and sound objections have been put forward in earlier days. The Secretary-General has come into this picture, and to that extent one might say that there was consideration last autumn by the United Nations, but not a detailed discussion of it in any agencies of which I am aware. But when the Secretary-General presented his annual report of the work of the United Nations for 1956-57—that is a year ago—he introduced it with reference to an instrumentality of some kind set up by the United Nations. He indicated in that report—and that is how it was presented to the General Assembly—that the United Nations secretariat would be undertaking a study and analysis so there would be a sound foundation upon which the United Nations could build a standby plan for a police force. The police force he had in mind, in writing the introductory part of his report in 1957, was to build a standby plan for a police force which could be activated on short notice in a future emergency. He said, in his report to the General Assembly, that a study has been going on, and

he said recently that it helped considerably in the private conversations in setting up UNOGIL. I have in mind that out of the experience of UNEF, and out of the experience of setting up UNOGIL there will be valuable material which will enable the Secretary-General—one aspect, or one factor in the United Nations picture—to present a new concept of United Nations standby instrumentality. But I would point out in this context that UNOGIL was created under very different circumstances from those under which UNEF was set up. And I would make this further observation that it is a very useful sign. The Security Council created UNOGIL and that would indicate that in comparing it with UNEF that there can be a flexibility of approach—that is the creation of different United Nations instruments for the preservation of peace. I think we are moving towards a United Nations force slowly; I do think we are moving in that direction.

I want to emphasize something that I have already stated, and that is that we should not go too fast. We should take short steps and we should be careful to avoid creating the wrong impression of what we hope to achieve. We should be careful to avoid the use of such words as “police force”. I mentioned that in my observations before. I would not like, at this time, to say anything more because there are many aspects which must be considered.

I would say that this matter, in view of the setting up of UNOGIL, can be examined with more hope perhaps than we could have had in some of the earlier ventures in this regard. Canada will explore, within the United Nations, with the Secretary-General, and with other countries, possibilities. I did make a suggestion throughout that there might be hope in proceeding along the line of the Uniting for Peace resolution of the General Assembly in 1950 and that we might use the machinery that is contemplated in that resolution; but that would not be, necessarily, the only one that would be considered.

There are different functions. UNOGIL is an observation group; UNEF is a police endeavour. Then you could have an armed force. It was suggested in one of the earlier proposals that that would be under the direction of the Secretary-General by reason of the authority that has been given to him by the Assembly or by the Security Council.

It does seem to me that we must work hard and work strenuously towards the setting up of some instrumentality that would provide for the assembly of a group that could be moved very quickly. I come back again to the question of the functions of this instrumentality; whether it should be an armed force, whether it should be a police activity or whether it should be an observation group. To me at the moment in terms of taking short steps and doing more than has been done in the past, it seems to me that the peace observation group might be the first step which could be taken.

Mr. CRESTOHL: In speaking about the UNEF, has the Canadian government received an official report as to the death of Colonel Flint who was killed and information as to where the bullet came from?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. CRESTOHL: I am sure the committee would be interested in that.

Mr. LEGER: I think we could make available to the committee the reports which we received from the United Nations.

Mr. SMITH (*Hastings-Frontenac*): It was not made to us directly. It came to us from the Secretary-General.

The CHAIRMAN: Is it the wish of the committee that we have the report of the Secretary-General?

Mr. CRESTOHL: Unless the minister can give us a report in general.

Mr. SMITH (*Hastings-Frontenac*): I am a little worried about giving now the details.

Mr. LEGER: We could circulate the reports, but unfortunately we do not have them here this morning. We could have them this afternoon.

Mr. PEARSON: I listened with much interest to what the minister said and I agree with everything he said about the necessity for proceeding vigorously but carefully. He repeated what he said the other day about the possible disadvantages of calling any agency of this kind a United Nations police force. I do not think the name means very much. You can call it a firefighting committee if you like.

What worries me is the developing tendency in the United Nations in the last couple of years for the powers to say we have to do certain things but as soon as the United Nations can take over we will withdraw, or we would not have gone in if there had been a United Nations agency to have taken on the job.

I think we must try to make provision at the United Nations assembly for the permanent establishment of a permanent agency which could be on call. Some of these same powers find all sorts of reasons for not doing it, but it is becoming increasingly difficult for the United Nations at the same time to take on those responsibilities and be prevented from organizing the mechanisms to discharge them.

Mr. HERRIDGE: I think Mr. Pearson has a very good point there.

Mr. RICHARD (*Ottawa East*): On another subject, I would like to ask the minister if since he has assumed office he has had any request from the South American countries to join in any alliance, treaty, or economic development program to offset the present active Communist interests in South America. I am tempted to ask this question because our friend Mr. Dulles this week is in South America for the purpose. I understand that the interests of the United States in South America are larger than ours. I think I would be interested to know from the minister what is the information the department has as to the situation in South America and whether or not we can expect just as much trouble in the years to come in South America as we have had recently in what is called the Middle East?

Mr. SMITH (*Hastings-Frontenac*): In respect of the first part of the question and the statement, since I have taken over the portfolio I can say that we have had no representations made to us by any South American country nor have we received any invitation to join the Organization of American States. I make that as a positive statement. I do not think it will be proper and fitting for me to comment before the committee on the reactions which were set in motion by Mr. Nixon's visit.

Mr. RICHARD (*Ottawa East*): There has been no request to help in the development of trade of which your department is aware, or a necessity to assist?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. PEARSON: There is a proposal under discussion at the present time to call a conference at the level of the heads of government of all the American states to consider this whole question of development. Do I take it that Canada has not been approached to attend that conference.

Mr. SMITH (*Hastings-Frontenac*): No. At least there have been two proposals which have come out of certain countries in Latin America for a meeting—not under the O.A.S. I have a memorandum before me here which I will read. There have been several recent proposals for the calling of an inter-American conference at ministerial level or at the level of heads of government to discuss political and economic problems of this hemisphere. The tentative proposals have been put forward by Brazil and Columbia, and by the Rockefeller fund which has recently made public a report in this respect. There

also has been a resolution introduced into the United States Senate in respect of the type of inter-American conference. No such conference has yet been called, and consequently, the question of Canadian participation in it has not been raised formally. This has nothing to do with membership in the O.A.S. If an invitation were received, our decision would depend largely on the subject matter of the conference and whether it seemed likely that our contribution would contribute to its success.

The three main public proposals were in an exchange of letters between the presidents of Brazil and the United States in which the former suggests, that is, the president of Brazil, that the relations between the United States and Latin America should be the subject of an inter-American meeting at the level of the heads of state to be called without delay by the Organization of American States.

The Rockefeller fund report urged the calling, as soon as possible, of an inter-American economic conference to which Canada should be invited.

The resolution of the United States recommended that a meeting of foreign ministers, including Canada, be held to review policies of mutual understanding in the western hemisphere and it deemed advisable to place on the agenda an American hemisphere summit meeting.

I want to make it clear that there have been no formal invitations which have come out of any of these proposals yet.

Mr. CRESTOHL: We have embassies in most of the Latin American countries?

Mr. SMITH (*Hastings-Frontenac*): In nine out of the twenty.

Mr. CRESTOHL: When you say there is no official invitation, were there any unofficial communications delivered, or discussed, with our ambassadors in the South American countries.

Mr. SMITH (*Hastings-Frontenac*): We have instructed our ambassadors to find out as much as possible about these proposals.

Mr. PEARSON: I have two questions which have nothing to do with anything which has been discussed.

The CHAIRMAN: Are there any further questions relating to South American matters?

Mr. PEARSON: My first question is have any proposals been made or have any discussions been held within the NATO Council recently to the effect that NATO as such should now step in and see what it can do to settle the deplorable problem of Cyprus? I know, in the past, it was not done so for the very good reason that those most concerned did not want anything done in NATO. Has there been any change in the last few months?

Mr. SMITH (*Hastings-Frontenac*): My recollection, subject to correction by the Undersecretary, is that it has been discussed in the NATO Council for at least a year. My recollection is that when the proposal from the United Kingdom, or indeed before it was made public or before Mr. Macmillan gave it in the House of Commons, was made known to the representatives of the NATO countries and made known in a meeting of the Council, my understanding is that apart from the two countries involved, that is Turkey and Greece, the other representatives on the NATO council urged those two countries to look at the proposal carefully and, they hoped, sympathetically.

It has been under constant review. You will appreciate that the difference of opinion between the two members of NATO, Greece and Turkey, could weaken NATO.

Mr. PEARSON: I do not think that is—

Mr. SMITH (*Hastings-Frontenac*): I was going to say it is an understatement.

Mr. PEARSON: Has NATO given consideration to making proposals of its own in respect of this matter apart from considering the proposals made by individual members like the United Kingdom; in other words, is it considering stepping in and taking on direct responsibility?

Mr. SMITH (*Hastings-Frontenac*): No. They have not come up with any proposal.

Mr. RICHARD (*Ottawa East*): Has the government taken any definite stand or decision about entering into a world copyright treaty?

Mr. SMITH (*Hastings-Frontenac*): I take that as notice. I do not know.

Mr. PEARSON: Have there been any recent developments with reference to the Polish art treasures?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. PEARSON: In respect of the treasures in the Bank of Montreal?

Mr. SMITH (*Hastings-Frontenac*): Not at the moment. That problem is not as yet solved.

Mr. MARTIN (*Essex East*): The Prime Minister announced that we were going to establish new missions in the middle east. Is the minister able to say when those ministers will take over?

Mr. SMITH (*Hastings-Frontenac*): May I add a word in respect of the Polish treasures? The Polish government has been informed that we have no solution of the problem of the Polish art treasures at this time.

Mr. PEARSON: Has the Polish government made any recent moves?

Mr. SMITH (*Hastings-Frontenac*): We had a memorandum three months ago and we have intimated to them that we have not a proposal as yet. At the moment we have taken the view of the former government that this is a matter between the Bank of Montreal and the depositors of the treasures. I refer to a statement made in the House of Commons by the Right Honourable Mr. St. Laurent.

Mr. PEARSON: His position, I think, at that time was that if the Polish government wanted the treasures back perhaps they should go to law and claim them. Is this presented by the statute of limitations now?

Mr. SMITH (*Hastings-Frontenac*): I do not think it is clear that any statute of limitations or prescriptive rights have run against the depositor. That is a question of law. I have not studied it, but that is my own opinion at this moment.

I am sorry, I interrupted you, Mr. Martin.

Mr. PEARSON: Mr. St. Laurent said that as far as the Polish treasures in the Bank of Montreal were concerned, it is a matter between the Bank of Montreal and the depositors. However, what would happen if the depositors died?

Mr. SMITH (*Hastings-Frontenac*): Normally you would have them replaced. You would have to appoint a successor.

Mr. KUCHEREPA: Mr. Chairman, I would like to mention a situation that is perhaps similar to that problem which has been raised by Mr. Pearson.

Quite a number of Canadian citizens, formerly citizens of Poland, have had their property, and life savings, in some cases, expropriated in some way by the present Polish government and are unable to recover this money, homes, and that sort of thing because of the fact that the laws in Poland are such that they are not able to claim possession unless they go back to Poland, in which case they would probably be arrested for some reason or other.

These Canadian citizens of Polish ancestry find themselves in a hopeless position today in this regard.

Mr. HERRIDGE: Would the situation mentioned by the member provide a basis for negotiation in regard to the other treasures?

Mr. KUCHEREPA: I mention this situation as possibly the other side to the same question. If the Polish government is asking for the return of these treasures, perhaps that is the basis of negotiation in regard to these Canadian citizens who have properties in Poland which are now under the jurisdiction of the present Polish government, and cannot claim them.

Mr. MARTIN (*Essex East*): How many claims are there by Canadian citizens of Polish extraction who have property in Poland? I know there is one large case.

Mr. SMITH (*Hastings-Frontenac*): I can think of one large one.

Mr. MARTIN (*Essex East*): There is one large case which involves the hydroelectric ownership in Poland. That is a case which involves millions of dollars.

Mr. SMITH (*Hastings-Frontenac*): I can think of another case but I do not care to identify it at this time.

Mr. KUCHEREPA: I know of individual cases where people have lost their homes and that sort of thing—they were expropriated by the present Polish regime—and because of present Polish legislation these individuals are unable to recover anything. There are many such cases of this kind. I have no idea of the number.

Mr. SMITH (*Hastings-Frontenac*): I do not suppose that we would be able to find that number in our own files.

Mr. RICHARD (*Ottawa East*): I do think we are getting into a legal argument. I am not on the side of Poland, but I think the civil rights of a state are governed by the law of the country. In this case the treasures were removed from the country where they were. People who have property in Poland are governed in respect of those properties by the laws of that country just as people are governed by laws of other countries.

Some of our good friends from England cannot remove more than a certain amount of money from England. That situation applies to France as well as other countries. I would suggest that the civil rights are governed by the state where the property is located. This is a little different question. I do not think we can set off one situation against the other.

Mr. SMITH (*Hastings-Frontenac*): I do not think they are entirely unconnected.

Mr. MANDZIUK: I do not wish to prolong this question, but looking at this from strictly a legal point of view, I would be inclined to disagree with the minister when he says this is a matter between the Bank of Montreal and the depositors.

From a legal point of view these treasures belong to the Polish state and it is the Polish state that is entitled to them.

Therefore I would suggest that it is a subject of negotiation between our government and the present Polish government. The present Polish government has been recognized. I do not think that the depositors have any right to these treasures at all, unless they can claim succession or some such thing. I believe the treasures belong to the Polish people, and no matter what government the Polish people choose, that is the government which is entitled to these treasures.

Mr. SMITH (*Hastings-Frontenac*): Mr. Chairman, these treasures are not in the custody of the Canadian government. Let us start with that statement.

Mr. PEARSON: That is true.

Mr. MANDZIUK: I was thinking of the particular rights to these treasures.

Mr. SMITH (*Hastings-Frontenac*): I have struggled over this question but I am now clear. I am bound—I say this with a smile—to accept the view of the Rt. Hon. Mr. St. Laurent.

Mr. PEARSON: The minister is not bound to accept that.

Mr. HERRIDGE: You mean you are delighted to?

Mr. SMITH (*Hastings-Frontenac*): I am not. I wish we could legally re-turn these treasures to Poland.

Mr. CRESTOHL: Mr. Chairman, a month or so ago I asked a question of the Prime Minister with respect to funds that are being held in connection with claims that have been made in Poland and in central Europe. The Prime Minister promised a reply to that question but as yet I have not received one. I am a little uncertain as to whether this falls under the Department of External Affairs, or the custodian of—

Mr. SMITH (*Hastings-Frontenac*): I can answer that question. The custodian is in the Department of the Secretary of State.

Mr. CRESTOHL: The Secretary of State seems to feel that this is a matter for the Department of External Affairs.

Mr. SMITH (*Hastings-Frontenac*): Negotiation would be a matter for the Department of External Affairs, but the decision must be initiated by the Department of the Secretary of State.

Mr. CRESTOHL: I will look up the question which I put to the Prime Minister, but I do feel that this is something which would fall within the jurisdiction, certainly to a large extent, of the Department of External Affairs.

Mr. SMITH (*Hastings-Frontenac*): I say that is true as far as negotiations are concerned, but only that far.

Mr. MARTIN (*Essex East*): I would like to ask the Under-Secretary of State if he could indicate when the new missions will be established in the various countries designated by the Prime Minister, and when a minister will be appointed to Lebanon and particularly to Israel. I am going over there very soon and I would like some protection.

Mr. SMITH (*Hastings-Frontenac*): I discussed this with the Under-Secretary of State over the week-end and possibly he could answer that question.

Mr. MARTIN (*Essex East*): I do not suppose these new missions will be established before the end of this month?

Mr. LEGER: I think that we must establish a distinction between Lebanon and Israel. We now have a mission in Israel. We will have to make provisions for the new heads of missions, and that takes a little time. I hope it is not necessary to pin down the exact month.

Mr. MARTIN (*Essex East*): Oh no, I just wanted to get some information in that regard.

Mr. LEGER: Six or seven weeks would be closer than one month, following the procedure that we want to follow. However, the *Chargés d'Affaires* will be there to welcome Mr. Martin on his arrival.

Mr. PEARSON: Can Mr. Martin be assured of protection?

Mr. SMITH (*Hastings-Frontenac*): I do not think Mr. Martin needs any protection.

Mr. MARTIN (*Essex East*): What about the other countries where we do not have missions?

The CHAIRMAN: I would like to thank the committee members for maintaining order during all these meetings.

Is it agreeable to members of the committee that we adjourn now and meet again at four-thirty this afternoon?

Some Hon. MEMBERS: Agreed.

"APPENDIX A"**CANADIAN ECONOMIC ASSISTANCE TO LESS DEVELOPED COUNTRIES: 1954-1958**

(A memorandum prepared for inclusion in the Report of the Secretary-General of the United Nations to the Economic and Social Council on Economic Assistance to Less Developed Countries.)

1. This statement of Canadian aid, which is designed to show the direction and the amount of Canadian economic assistance during the fiscal years 1954-1955 to 1957-1958, has been requested by the Secretary-General of the United Nations, and will be included in his general Report on this matter to the 26th Session of the Economic and Social Council.

2. *Table I* shows the assistance which Canada has provided to a number of countries in terms of commitments and expenditures, grants and loans. *Expenditure* refers to the value of the assistance actually provided in grants and long-term loans, and includes the fulfilment of current and previous commitments. *Grants* refer to donations, including the value of technical assistance.

3. *Table II* shows these Commitments and Expenditures classified by recipient country and by purpose. *Economic Development Projects* refer to aid provided for specific projects contributing to the economic development of the country concerned. The section on *Relief* refers to aid given to alleviate temporary hardships such as crop failure or floods. *General Economic Aid* comprises all other aid provided for economic, as distinct from military, purposes.

4. *Table III* shows Canadian Expenditures classified by recipient country and by economic character. Commodity transfers are classified as "food and agricultural" items, or as "other", which comprises commodities such as industrial metals. *Technical Assistance* refers to the expenditures incurred by the direct provision of technical services to the recipient country, and to the award of training fellowships to its scholars, technicians and trainees. *Other and Mixed* include all other types of direct economic assistance and those of a mixed character which could not be resolved easily into the specified categories.

5. This survey does not include Canadian contributions to multilateral aid programs such as those of the United Nations.

Department of External Affairs, Ottawa, Canada.

16 May 1958.

STANDING COMMITTEE

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE 1—COMMITMENTS AND EXPENDITURES BY COUNTRY

BRITISH WEST INDIES, INCLUDING WEST INDIES FEDERATION

Fiscal Years Ending March 31	Commitments			Expenditures		
	Grants	Loans	Total	Grants	Loans	Total
	\$	\$	\$	\$	\$	\$
1954-55.....	—	—	—	—	—	—
1955-56.....	50,000	—	50,000	49,999	—	49,999
1956-57.....	—	—	—	—	—	—
1957-58.....	4,034	—	4,034	4,034	—	4,034
	54,034	—	54,034	54,033	—	54,033

BURMA

1954-55.....	4,377	—	4,377	4,377	—	4,377
1955-56.....	78,001	—	78,001	33,501	—	33,501
1956-57.....	204,710	—	204,710	118,745	—	118,745
1957-58.....	331,607	—	331,607	304,519	—	304,519
	618,695	—	618,695	461,142	—	461,142

CAMBODIA

1954-55.....	34,468	—	34,468	19,468	—	19,468
1955-56.....	15,850	—	15,850	29,483	—	29,483
1956-57.....	14,438	—	14,438	14,438	—	14,438
1957-58.....	25,941	—	25,941	25,941	—	25,941
	90,697	—	90,697	89,330	—	89,330

CEYLON

1954-55.....	2,994,824	—	2,994,824	2,265,840	—	2,265,840
1955-56.....	2,224,937	—	2,224,937	1,815,885	—	1,815,885
1956-57.....	2,222,414	—	2,222,414	2,923,456	—	2,923,456
1957-58.....	5,254,259	—	5,254,259	2,688,321	—	2,688,321
	12,696,434	—	12,696,434	9,693,502	—	9,693,502

HAITI

1954-55.....	25,000	—	25,000	24,988	—	24,988
1955-56.....	—	—	—	—	—	—
1956-57.....	—	—	—	—	—	—
1957-58.....	—	—	—	—	—	—
	25,000	—	25,000	24,988	—	24,988

INDIA

1954-55.....	11,314,032	—	11,314,032	8,942,075	—	8,942,075
1955-56.....	16,760,305	—	16,760,305	16,626,422	—	16,626,422
1956-57.....	14,861,509	—	14,861,509	7,547,639	—	7,547,639
1957-58.....	31,327,758	25,000,000	56,327,758	19,263,984	16,173,000	35,436,984
	74,263,604	25,000,000	99,263,604	52,380,120	16,173,000	68,553,120

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE 1—COMMITMENTS AND EXPENDITURES BY COUNTRY

INDONESIA

Fiscal Years Ending March 31	Commitments			Expenditures		
	Grants	Loans	Total	Grants	Loans	Total
	\$	\$	\$	\$	\$	\$
1954-55.....	64,304	—	64,304	64,304	—	64,304
1955-56.....	148,324	—	148,324	148,324	—	148,324
1956-57.....	216,061	—	216,061	216,061	—	216,061
1957-58.....	165,619	—	165,619	163,709	—	163,709
	594,308	—	594,308	592,398	—	592,398

KOREA

1954-55.....	750,000	—	750,000	745,421	—	745,421
1955-56.....	—	—	—	—	—	—
1956-57.....	—	—	—	—	—	—
1957-58.....	—	—	—	—	—	—
	750,000	—	750,000	745,421	—	745,421

LAOS

1954-55.....	—	—	—	—	—	—
1955-56.....	—	—	—	—	—	—
1956-57.....	32,240	—	32,240	32,240	—	32,240
1957-58.....	38,292	—	38,292	38,292	—	38,292
	70,532	—	70,532	70,532	—	70,532

MALAYA

1954-55.....	56,007	—	56,007	56,007	—	56,007
1955-56.....	43,147	—	43,147	43,147	—	43,147
1956-57.....	295,734	—	295,734	155,398	—	155,398
1957-58.....	61,202	—	61,202	195,539	—	195,539
	456,090	—	456,090	450,091	—	450,091

NORTH BORNEO

1954-55.....	5,467	—	5,467	5,467	—	5,467
1955-56.....	5,658	—	5,658	5,658	—	5,658
1956-57.....	573	—	573	573	—	573
1957-58.....	3,451	—	3,451	3,451	—	3,451
	15,149	—	15,149	15,149	—	15,149

PAKISTAN

1954-55.....	14,334,460	—	14,334,460	6,336,500	—	6,336,500
1955-56.....	10,197,172	—	10,197,172	7,021,142	—	7,021,142
1956-57.....	11,080,669	—	11,080,669	11,239,021	—	11,239,021
1957-58.....	17,346,845	—	17,346,845	19,157,026	—	19,157,026
	52,959,146	—	52,959,146	43,753,689	—	43,753,689

STANDING COMMITTEE

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE 1—COMMITMENTS AND EXPENDITURES BY COUNTRY

SARAWAK

Fiscal Years Ending March 31	Commitments			Expenditures		
	Grants	Loans	Total	Grants	Loans	Total
	\$	\$	\$	\$	\$	\$
1954-55.....	—	—	—	—	—	—
1955-56.....	1,671	—	1,671	1,671	—	1,671
1956-57.....	2,746	—	2,746	2,746	—	2,746
1957-58.....	30,058	—	30,058	30,058	—	30,058
	34,475	—	34,475	34,475	—	34,475

SINGAPORE

1954-55.....	8,541	—	8,541	8,541	—	8,541
1955-56.....	1,867	—	1,867	1,867	—	1,867
1956-57.....	71,859	—	71,859	21,859	—	21,859
1957-58.....	22,722	—	22,722	23,687	—	23,687
	104,989	—	104,989	55,954	—	55,954

THAILAND

1954-55.....	2,845	—	2,845	2,845	—	2,845
1955-56.....	534	—	534	534	—	534
1956-57.....	—	—	—	—	—	—
1957-58.....	15,616	—	15,616	15,616	—	15,616
	18,995	—	18,995	18,995	—	18,995

VIETNAM

1954-55.....	4,313	—	4,313	4,313	—	4,313
1955-56.....	1,361	—	1,361	1,361	—	1,361
1956-57.....	138,137	—	138,137	138,137	—	138,137
1957-58.....	37,347	—	37,347	37,347	—	37,347
	181,158	—	181,158	181,158	—	181,158

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE II—COMMITMENTS AND EXPENDITURES CLASSIFIED BY RECIPIENT COUNTRY AND BY PURPOSE
BRITISH WEST INDIES INCLUDING WEST INDIES FEDERATION

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMITMENTS				
195-55.....	—	—	—	—
1955-56.....	—	50,000	—	50,000
1956-57.....	—	—	—	—
1957-58.....	4,034	—	—	4,034
	<u>4,034</u>	<u>50,000</u>	<u>—</u>	<u>54,034</u>
B. EXPENDITURES				
1954-55.....	—	—	—	—
1955-56.....	—	49,999	—	49,999
1956-57.....	—	—	—	—
1957-58.....	4,034	—	—	4,034
	<u>4,034</u>	<u>49,999</u>	<u>—</u>	<u>54,033</u>

BURMA

A. COMMITMENTS				
1954-55.....	4,377	—	—	4,377
1955-56.....	78,001	—	—	78,001
1956-57.....	204,710	—	—	204,710
1957-58.....	331,607	—	—	331,607
	<u>618,695</u>	<u>—</u>	<u>—</u>	<u>618,695</u>
B. EXPENDITURES				
1954-55.....	4,377	—	—	4,377
1955-56.....	33,501	—	—	33,501
1956-57.....	118,745	—	—	118,745
1957-58.....	304,519	—	—	304,519
	<u>461,142</u>	<u>—</u>	<u>—</u>	<u>461,142</u>

CAMBODIA

A. COMMITMENTS				
1954-55.....	34,468	—	—	34,468
1955-56.....	15,850	—	—	15,850
1956-57.....	14,438	—	—	14,438
1957-58.....	25,941	—	—	25,941
	<u>90,697</u>	<u>—</u>	<u>—</u>	<u>90,697</u>
B. EXPENDITURES				
1954-55.....	19,468	—	—	19,468
1955-56.....	29,483	—	—	29,483
1956-57.....	14,438	—	—	14,438
1957-58.....	25,941	—	—	25,941
	<u>89,330</u>	<u>—</u>	<u>—</u>	<u>89,330</u>

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE II—COMMITMENTS AND EXPENDITURES CLASSIFIED BY RECIPIENT COUNTRY AND BY PURPOSE

CEYLON

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMITMENTS				
1954-55.....	2,994,824	—	—	2,994,824
1955-56.....	2,224,937	—	—	2,224,937
1956-57.....	2,222,414	—	—	2,222,414
1957-58.....	2,254,259	3,000,000	—	5,254,259
	<u>9,696,437</u>	<u>3,000,000</u>	<u>—</u>	<u>12,696,437</u>
B. EXPENDITURES				
1954-55.....	2,265,840	—	—	2,265,840
1955-56.....	1,815,885	—	—	1,815,885
1956-57.....	2,923,456	—	—	2,923,456
1957-58.....	2,688,321	—	—	2,688,321
	<u>9,693,502</u>	<u>—</u>	<u>—</u>	<u>9,693,502</u>

HAITI

A. COMMITMENTS				
1954-55.....	—	25,000	—	25,000
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
	<u>—</u>	<u>25,000</u>	<u>—</u>	<u>25,000</u>
B. EXPENDITURES				
1954-55.....	—	24,988	—	24,988
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
	<u>—</u>	<u>24,988</u>	<u>—</u>	<u>24,988</u>

INDIA

A. COMMITMENTS				
1954-55.....	11,314,032	—	—	11,314,032
1955-56.....	16,760,305	—	—	16,760,305
1956-57.....	14,861,509	—	—	14,861,509
1957-58.....	23,327,758	8,000,000	25,000,000	56,327,758
	<u>66,263,604</u>	<u>8,000,000</u>	<u>25,000,000</u>	<u>99,263,604</u>
B. EXPENDITURES				
1954-55.....	8,942,075	—	—	8,942,075
1955-56.....	16,626,422	—	—	16,626,422
1956-57.....	7,547,639	—	—	7,547,639
1957-58.....	19,263,984	—	16,173,000	35,436,984
	<u>52,380,120</u>	<u>—</u>	<u>16,173,000</u>	<u>68,553,120</u>

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE II—COMMITMENTS AND EXPENDITURES CLASSIFIED BY RECIPIENT COUNTRY AND BY PURPOSE

INDONESIA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMITMENTS				
1954-55.....	64,304	—	—	64,304
1955-56.....	148,324	—	—	148,324
1956-57.....	216,061	—	—	216,061
1957-58.....	165,619	—	—	165,619
	<u>594,308</u>	<u>—</u>	<u>—</u>	<u>594,308</u>
B. EXPENDITURES				
1954-55.....	64,304	—	—	64,304
1955-56.....	148,324	—	—	148,324
1956-57.....	216,061	—	—	216,061
1957-58.....	163,709	—	—	163,709
	<u>592,398</u>	<u>—</u>	<u>—</u>	<u>592,398</u>

KOREA

A. COMMITMENTS				
1954-55.....	750,000	—	—	750,000
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
	<u>750,000</u>	<u>—</u>	<u>—</u>	<u>750,000</u>
B. EXPENDITURES				
1954-55.....	745,421	—	—	745,421
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
	<u>745,421</u>	<u>—</u>	<u>—</u>	<u>745,421</u>

LAOS

A. COMMITMENTS				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	32,240	—	—	32,240
1957-58.....	38,292	—	—	38,292
	<u>70,532</u>	<u>—</u>	<u>—</u>	<u>70,532</u>
B. EXPENDITURES				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	32,240	—	—	32,240
1957-58.....	38,292	—	—	38,292
	<u>70,532</u>	<u>—</u>	<u>—</u>	<u>70,532</u>

STANDING COMMITTEE

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE II—COMMITMENTS AND EXPENDITURES CLASSIFIED BY RECIPIENT COUNTRY AND BY PURPOSE

MALAYA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMITMENTS				
1954-55.....	56,007	—	—	56,007
1955-56.....	43,147	—	—	43,147
1956-57.....	295,734	—	—	295,734
1957-58.....	61,202	—	—	61,202
	<u>456,090</u>	<u>—</u>	<u>—</u>	<u>456,090</u>
B. EXPENDITURES				
1954-55.....	56,007	—	—	56,007
1955-56.....	43,147	—	—	43,147
1956-57.....	155,398	—	—	155,398
1957-58.....	195,539	—	—	195,539
	<u>450,091</u>	<u>—</u>	<u>—</u>	<u>450,091</u>

NORTH BORNEO

A. COMMITMENTS				
1954-55.....	5,467	—	—	5,467
1955-56.....	5,658	—	—	5,658
1956-57.....	573	—	—	573
1957-58.....	3,451	—	—	3,451
	<u>15,149</u>	<u>—</u>	<u>—</u>	<u>15,149</u>
B. EXPENDITURES				
1954-55.....	5,467	—	—	5,467
1955-56.....	5,658	—	—	5,658
1956-57.....	573	—	—	573
1957-58.....	3,451	—	—	3,451
	<u>15,149</u>	<u>—</u>	<u>—</u>	<u>15,149</u>

PAKISTAN

A. COMMITMENTS				
1954-55.....	14,334,460	—	—	14,334,460
1955-56.....	10,197,172	—	—	10,197,172
1956-57.....	9,580,669	1,500,000	—	11,080,669
1957-58.....	13,346,845	4,000,000	—	17,346,845
	<u>47,459,146</u>	<u>5,500,000</u>	<u>—</u>	<u>52,959,146</u>
B. EXPENDITURES				
1954-55.....	6,336,500	—	—	6,336,500
1955-56.....	7,021,142	—	—	7,021,142
1956-57.....	9,763,187	1,475,834	—	11,239,021
1957-58.....	17,157,026	2,000,000	—	19,157,026
	<u>40,277,855</u>	<u>3,475,834</u>	<u>—</u>	<u>43,753,689</u>

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE II—COMMITMENTS AND EXPENDITURES CLASSIFIED BY RECIPIENT COUNTRY AND BY PURPOSE

SARAWAK

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMITMENTS				
1954-55.....	—	—	—	—
1955-56.....	1,671	—	—	1,671
1956-57.....	2,746	—	—	2,746
1957-58.....	30,058	—	—	30,058
	<u>34,475</u>	<u>—</u>	<u>—</u>	<u>34,475</u>
B. EXPENDITURES				
1954-55.....	—	—	—	—
1955-56.....	1,671	—	—	1,671
1956-57.....	2,746	—	—	2,746
1957-58.....	30,058	—	—	30,058
	<u>34,475</u>	<u>—</u>	<u>—</u>	<u>34,475</u>

SINGAPORE

A. COMMITMENTS				
1954-55.....	8,541	—	—	8,541
1955-56.....	1,867	—	—	1,867
1956-57.....	71,859	—	—	71,859
1957-58.....	22,722	—	—	22,722
	<u>104,989</u>	<u>—</u>	<u>—</u>	<u>104,989</u>
B. EXPENDITURES				
1954-55.....	8,541	—	—	8,541
1955-56.....	1,867	—	—	1,867
1956-57.....	21,859	—	—	21,859
1957-58.....	23,687	—	—	23,687
	<u>55,954</u>	<u>—</u>	<u>—</u>	<u>55,954</u>

THAILAND

A. COMMITMENTS				
1954-55.....	2,845	—	—	2,845
1955-56.....	534	—	—	534
1956-57.....	—	—	—	—
1957-58.....	15,616	—	—	15,616
	<u>18,995</u>	<u>—</u>	<u>—</u>	<u>18,995</u>
B. EXPENDITURES				
1954-55.....	2,845	—	—	2,845
1955-56.....	534	—	—	534
1956-57.....	—	—	—	—
1957-58.....	15,616	—	—	15,616
	<u>18,995</u>	<u>—</u>	<u>—</u>	<u>18,995</u>

STANDING COMMITTEE

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE II—COMMITMENTS AND EXPENDITURES CLASSIFIED BY RECIPIENT COUNTRY AND BY PURPOSE

VIETNAM

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMITMENTS				
1954-55.....	4,313	—	—	4,313
1955-56.....	1,361	—	—	1,361
1956-57.....	138,137	—	—	138,137
1957-58.....	37,347	—	—	37,347
	<u>181,158</u>	<u>—</u>	<u>—</u>	<u>181,158</u>
B. EXPENDITURE				
1954-55.....	4,313	—	—	4,313
1955-56.....	1,361	—	—	1,361
1956-57.....	138,137	—	—	138,137
1957-58.....	37,347	—	—	37,347
	<u>181,158</u>	<u>—</u>	<u>—</u>	<u>181,158</u>

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

BRITISH WEST INDIES INCLUDING WEST INDIES FEDERATION

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES ¹				
(a) Food and Agricultural Commodities...				
1954-55.....	—	—	—	—
1955-56.....	—	49,999	—	49,999
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	4,034	—	—	4,034
(b) Fellowships, Trainees, etc.				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
D. OTHER AND MIXED ¹				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	—	—	—	—
1955-56.....	—	49,999	—	49,999
1956-57.....	—	—	—	—
1957-58.....	4,034	—	—	4,034
	4,034	49,999	—	54,033

NOTE¹:—All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

BURMA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES¹				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS				
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	4,377	—	—	4,377
1955-56.....	19,602	—	—	19,602
1956-57.....	21,879	—	—	21,879
1957-58.....	76,741	—	—	76,741
(b) Fellowships, Trainees, etc.				
1954-55.....	—	—	—	—
1955-56.....	12,886	—	—	12,886
1956-57.....	57,831	—	—	57,831
1957-58.....	112,772	—	—	112,772
D. OTHER AND MIXED¹				
1954-55.....	—	—	—	—
1955-56.....	1,013	—	—	1,013
1956-57.....	39,035	—	—	39,035
1957-58.....	114,634	—	—	114,634
E. TOTAL				
1954-55.....	4,377	—	—	4,377
1955-56.....	33,501	—	—	33,501
1956-57.....	118,745	—	—	118,745
1957-58.....	304,519	—	—	304,519
	461,142	—	—	461,142

NOTE¹:—All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

CAMBODIA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	17,808	—	—	17,808
1955-56.....	10,009	—	—	10,009
1956-57.....	3,844	—	—	3,844
1957-58.....	92	—	—	92
(b) Fellowships, Trainees, etc.				
1954-55.....	1,660	—	—	1,660
1955-56.....	5,840	—	—	5,840
1956-57.....	10,594	—	—	10,594
1957-58.....	25,849	—	—	25,849
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	13,634	—	—	13,634
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	19,468	—	—	19,468
1955-56.....	29,483	—	—	29,483
1956-57.....	14,438	—	—	14,438
1957-58.....	25,941	—	—	25,941
	89,330	—	—	89,330

NOTE (1): All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

CEYLON

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	539,286	—	—	539,286
1955-56.....	491,509	—	—	491,509
1956-57.....	899,600	—	—	899,600
1957-58.....	1,639,185	—	—	1,639,185
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	131,033	—	—	131,033
1955-56.....	144,738	—	—	144,738
1956-57.....	162,271	—	—	162,271
1957-58.....	198,808	—	—	198,808
(b) Fellowships, Trainees, etc.				
1954-55.....	32,833	—	—	32,833
1955-56.....	79,199	—	—	79,199
1956-57.....	51,433	—	—	51,433
1957-58.....	44,486	—	—	44,486
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	1,562,688	—	—	1,562,688
1955-56.....	1,100,439	—	—	1,100,439
1956-57.....	1,810,152	—	—	1,810,152
1957-58.....	805,842	—	—	805,842
E. TOTAL				
1954-55.....	2,265,840	—	—	2,265,840
1955-56.....	1,815,885	—	—	1,815,885
1956-57.....	2,923,456	—	—	2,923,456
1957-58.....	2,688,321	—	—	2,688,321
	9,693,502	—	—	9,693,502

NOTE ⁽¹⁾: All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

HAITI

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES ⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	24,988	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Fellowships, Trainees, etc.				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
D. OTHER AND MIXED ⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	—	24,988	—	24,988
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
	—	24,988	—	24,988

Note (1): All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

INDIA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	7,000,000	—	16,173,000	23,173,000
(b) Other				
1954-55.....	1,805,062	—	—	1,805,062
1955-56.....	1,374,777	—	—	1,374,777
1956-57.....	1,246,459	—	—	1,246,459
1957-58.....	328,043	—	—	328,043
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	17,694	—	—	17,694
1955-56.....	37,024	—	—	37,024
1956-57.....	102,365	—	—	102,365
1957-58.....	60,860	—	—	60,860
(b) Fellowships, Trainees, etc.				
1954-55.....	96,339	—	—	96,339
1955-56.....	188,281	—	—	188,281
1956-57.....	258,868	—	—	258,868
1957-58.....	266,899	—	—	266,899
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	7,022,980	—	—	7,022,980
1955-56.....	15,026,340	—	—	15,026,340
1956-57.....	5,939,946	—	—	5,939,946
1957-58.....	11,608,183	—	—	11,608,183
E. TOTAL				
1954-55.....	8,942,075	—	—	8,942,075
1955-56.....	16,626,422	—	—	16,626,422
1956-57.....	7,547,639	—	—	7,547,639
1957-58.....	19,263,984	—	16,173,000	35,436,984
	52,380,120	—	16,173,000	68,553,120

NOTE⁽¹⁾:—All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

INDONESIA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES ⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	9,762	—	—	9,762
1955-56.....	25,558	—	—	25,558
1956-57.....	22,200	—	—	22,200
1957-58.....	32,681	—	—	32,681
(b) Fellowships, Trainees, etc.				
1954-55.....	54,542	—	—	54,542
1955-56.....	122,766	—	—	122,766
1956-57.....	193,861	—	—	193,861
1957-58.....	131,028	—	—	131,028
D. OTHER AND MIXED				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	64,304	—	—	64,304
1955-56.....	148,324	—	—	148,324
1956-57.....	216,061	—	—	216,061
1957-58.....	163,709	—	—	163,709
	592,398	—	—	592,398

NOTE ⁽¹⁾: All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

KOREA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	745,421	—	745,421
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Fellowships, Trainees, etc.				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	—	745,421	—	745,421
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
	—	745,421	—	745,421

NOTE (1): All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER.

LAOS

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES (1)				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS				
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	4,957	—	—	4,957
1957-58.....	3,019	—	—	3,019
(b) Fellowships, Trainees, etc.				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	27,283	—	—	27,283
1957-58.....	35,273	—	—	35,273
	<u>70,532</u>			<u>70,532</u>
D. OTHER AND MIXED (1)				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	32,240	—	—	32,240
1957-58.....	35,292	—	—	35,292
	<u>70,532</u>			<u>70,532</u>

NOTE: (1): All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

MALAYA

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS				
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	54,428	—	—	54,428
1955-56.....	40,825	—	—	40,825
1956-57.....	78,768	—	—	78,768
1957-58.....	44,501	—	—	44,501
(b) Fellowships, Trainees, etc.				
1954-55.....	1,579	—	—	1,579
1955-56.....	2,322	—	—	2,322
1956-57.....	15,966	—	—	15,966
1957-58.....	8,101	—	—	8,101
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	60,664	—	—	60,664
1957-58.....	142,937	—	—	142,937
	<u>450,091</u>	<u>—</u>	<u>—</u>	<u>450,091</u>
E. TOTAL				
1954-55.....	56,007	—	—	56,007
1955-56.....	43,147	—	—	43,147
1956-57.....	155,398	—	—	155,398
1957-58.....	195,539	—	—	195,539
	<u>450,091</u>	<u>—</u>	<u>—</u>	<u>450,091</u>

NOTE (1):—All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

NORTH BORNEO

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	5,467	—	—	5,467
1955-56.....	5,658	—	—	5,658
1956-57.....	573	—	—	573
1957-58.....	—	—	—	—
(b) Fellowships, Trainees, etc.				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	3,451	—	—	3,451
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	5,467	—	—	5,467
1955-56.....	5,658	—	—	5,658
1956-57.....	573	—	—	573
1957-58.....	3,451	—	—	3,451
	15,149	—	—	15,149

NOTE⁽¹⁾:—All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

PAKISTAN

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	1,475,834	—	1,475,834
1957-58.....	2,000,000	2,000,000	—	4,000,000
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	285,600	—	—	285,600
1956-57.....	314,496	—	—	314,496
1957-58.....	258,822	—	—	258,822
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	65,583	—	—	65,583
1955-56.....	39,364	—	—	39,364
1956-57.....	28,243	—	—	28,243
1957-58.....	19,913	—	—	19,913
(b) Fellowships, Trainees, etc.				
1954-55.....	141,290	—	—	141,290
1955-56.....	157,808	—	—	157,808
1956-57.....	167,236	—	—	167,236
1957-58.....	222,532	—	—	222,532
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	6,129,627	—	—	6,129,628
1955-56.....	6,538,370	—	—	6,538,370
1956-57.....	9,253,212	—	—	9,253,212
1957-58.....	14,655,759	—	—	14,653,759
E. TOTAL				
1954-55.....	6,336,500	—	—	6,336,500
1955-56.....	7,021,142	—	—	7,021,142
1956-57.....	9,763,187	1,475,834	—	11,239,021
1957-58.....	17,157,026	2,000,000	—	19,157,026
	40,277,855	3,475,834	—	43,753,689

NOTE ⁽¹⁾: All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

SARAWAK

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Industrial Goods and Equipment				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	23,355	—	—	23,355
(b) Fellowships, Trainees, etc.				
1954-55.....	—	—	—	—
1955-56.....	1,671	—	—	1,671
1956-57.....	2,746	—	—	2,746
1957-58.....	6,703	—	—	6,703
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	—	—	—	—
1955-56.....	1,671	—	—	1,671
1956-57.....	2,746	—	—	2,746
1957-58.....	30,058	—	—	30,058
	34,475	—	—	34,475

NOTE⁽¹⁾: All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

SINGAPORE

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES ⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	12,106	—	—	12,106
1957-58.....	14,999	—	—	14,999
(b) Fellowships, Trainees, etc.				
1954-55.....	8,541	—	—	8,541
1955-56.....	1,867	—	—	1,867
1956-57.....	9,753	—	—	9,753
1957-58.....	7,723	—	—	7,723
D. OTHER AND MIXED ⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	965	—	—	965
E. TOTAL				
1954-55.....	8,541	—	—	8,541
1955-56.....	1,867	—	—	1,867
1956-57.....	21,859	—	—	21,859
1957-58.....	23,687	—	—	23,687
	55,954	—	—	55,954

NOTE (1): All goods are F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-58

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

THAILAND

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES¹				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	7,512	—	—	7,512
(b) Fellowships, Trainees, etc.				
1954-55.....	2,845	—	—	2,845
1955-56.....	534	—	—	534
1956-57.....	—	—	—	—
1957-58.....	8,104	—	—	8,104
D. OTHER AND MIXED¹				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1954-55.....	2,845	—	—	2,845
1955-56.....	534	—	—	534
1956-57.....	—	—	—	—
1957-58.....	15,616	—	—	15,616
	18,995	—	—	18,995

NOTE (1): All goods F.A.S. or F.O.B. a Canadian port.

CANADIAN ECONOMIC ASSISTANCE—1954-53

TABLE III—EXPENDITURE CLASSIFIED BY RECIPIENT COUNTRY AND BY ECONOMIC CHARACTER

VIETNAM

Fiscal Years Ending March 31	Economic Development Projects	Relief	General Economic Aid	Total
	(Canadian Dollars)			
	\$	\$	\$	\$
A. COMMODITIES⁽¹⁾				
(a) Food and Agricultural Commodities				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Other				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
B. CASH TRANSFERS.....	—	—	—	—
C. TECHNICAL ASSISTANCE				
(a) Experts				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
(b) Fellowships, Trainees, etc.				
1954-55.....	4,313	—	—	4,313
1955-56.....	1,361	—	—	1,361
1956-57.....	138,137	—	—	138,137
1957-58.....	37,347	—	—	37,347
D. OTHER AND MIXED⁽¹⁾				
1954-55.....	—	—	—	—
1955-56.....	—	—	—	—
1956-57.....	—	—	—	—
1957-58.....	—	—	—	—
E. TOTAL				
1955-54.....	4,313	—	—	4,313
1955-56.....	1,361	—	—	1,361
1956-57.....	138,137	—	—	138,137
1957-58.....	37,347	—	—	37,347
	181,158	—	—	181,158

NOTE (1): All goods are F.A.S. or F.O.B. a Canadian port.

HOUSE OF COMMONS

Government
Publications

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

WEDNESDAY, AUGUST 6, 1958

MAIN AND SUPPLEMENTARY ESTIMATES OF THE
DEPARTMENT OF EXTERNAL AFFAIRS—1958-59

WITNESSES

Messrs. Jules Leger, Under-Secretary of State for External Affairs; and
W. D. Matthews, Assistant Under-Secretary of State for External
Affairs; R. Grey, Economic Division.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.

and Messrs.

Aitken, Miss,
Argue,
Brassard (*Lapointe*),
Cardin,
Crestohl,
Deschatelets,
Dinsdale,
Dorion,
Fairfield,
Garland,
Herridge,
Jones,

Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Mandziuk,
Martin (*Essex East*),
McCleave,
McFarlane,
McGee,
McGrath,

Nugent,
Paul,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Van Horne,
Vivian—35.

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, August 6, 1958.

The Standing Committee on External Affairs met at 3:35 p.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Argue, Crestohl, Dinsdale, Herridge, Jones, Jung, Kucherepa, Lafreniere, Lennard, Macnaughton, Martin (*Essex East*), Mandziuk, McGee, Paul, Richard (*Ottawa East*), Stinson, Vivian and White.—(18)

In attendance: Messrs. Jules Leger, Under-Secretary of State for External Affairs; W. D. Matthews, Assistant Under-Secretary; H. F. Clark, Director, Finance Division; R. Grey, Economic Division; M. Grant, Director, Supplies and Properties Division; d'I. Fortier, Economic Division; H. J. Armstrong, Financial Adviser to the Department; W. T. Delworth, Private Secretary to the Minister; H. Best, Executive Assistant to the Minister; H. B. Stewart, Finance Division.

The Chairman observed the presence of quorum and obtained agreement that the reading of Mr. Leger's prepared statement be dispensed with, but incorporated in the Committee's printed record.

Following the tabling of a document entitled "Department of External Affairs Main Estimates 1958-59 compared with 1957-58" and the agreement of the Committee to print it as an appendix to this day's proceedings, Mr. Leger was called upon to answer certain questions asked at previous meetings.

Messrs. Leger, Matthews and Grey were questioned concerning the operations of the Department, and the following Items were individually called, discussed and adopted:

Item 85—Departmental Administration (including former Passport Office Administration);

Item 86—Representation Abroad—Operational;

Item 87—Representation Abroad—Capital;

Item 88—Official Hospitality;

Item 89—Relief and Repatriation of Distressed Canadians;

Item 90—Representation at International Conferences;

Item 91—Grant to the United Nations Association in Canada;

Item 92—Grant to the International Red Cross;

Item 93—Grant to the Canadian Atlantic Co-ordinating Committee;

Item 94—Fellowships and Scholarships;

Item 95—Assessment in International Organizations;

Item 96—United Nations Expanded Program for Technical Assistance;

Item 97—United Nations Children's Fund;

Item 98—North Atlantic Treaty Organization Staff Assignment;

Item 99—North Atlantic Treaty Organization Headquarters Building;

Item 100—International Civil Aviation Organization Rental Assistance;

Item 101—International Civil Aviation Organization Tax Assistance;

Item 105—Inter-Governmental Committee for European Migration;

Item 106—Grant to United Nations Refugee Fund;

Item 107—Canadian Participation—European Productivity Agency—Organization for European Economic Co-operation.

Item 108—Grant to United Nations Relief and Works Agency Near East.

Item 109—International Commissions Indo-China.

Item 110—Technical Assistance to The West Indies and Ghana.

Item 111—Wheat and Flour for India, Pakistan and Ceylon.

Item 502—Special Loans to Colombo Plan Countries;

Item 542—Departmental Administration—Further amount required;

Item 543—Representation Abroad—Operational—Further amount required;

Item 545—To provide for the purchase of wheat and flour to be given to India, Pakistan and Ceylon to relieve food shortages—Further amount required.

Item 546—To provide for the purchase of flour to be given to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

Item 547—To provide for a contribution to the 1958 Fellowship Fund of the International Atomic Energy Agency.

Item 548—To provide for the expenses of the Commonwealth Trade and Economic Conference.

Item 549—West Indies Assistance Program.

Item 655—To authorize...Special Loans to Colombo Plan Countries to finance the purchase of wheat and flour from Canada.

On Item 91, documents entitled "United Nations Association in Canada—Statement of General Fund for year ended March 31, 1958" and "United Nations Association in Canada—Balance Sheet as at March 31, 1958" were ordered printed in the record of this day's proceedings.

On Item 93, certain documents relating to the Canadian Atlantic Coordinating Committee were ordered to be printed in the record of this day's proceedings.

At 5:55 p.m. the Committee adjourned to meet again on Thursday, August 7, 1958.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

WEDNESDAY, August 6, 1958.

3:30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum, and we will come to order.

The first item I wish to bring to your attention is the statement by the Under-Secretary of State for External Affairs which was circulated on Monday. I would suggest that we take the statement as read.

Agreed.

The CHAIRMAN: The next order of business relates to some questions which arose out of the discussions at previous meetings which the under-secretary will now answer.

Mr. Jules LEGER (*Under-Secretary of State for External Affairs*): Thank you, Mr. Chairman. We have circulated at earlier meetings the following documents: a brief tabulation of the total flow of Canadian assistance, a compilation of aid to various countries since 1944, and also a draft statement which I was to read and which I understand is to be considered as read.

The statement is as follows:

Mr. Chairman and Members of the committee,

In your consideration of this department's main and supplementary estimates it might be helpful if I were to comment generally on the more significant administrative and financial aspects which find expression in these estimates. To assist you in your examination of the Estimates I have had prepared, for distribution to the members of the committee, comparative statements, providing more detail than that appearing in the blue book of estimates, which will show how these figures are established and explain, in summary, the increases and decreases over the estimates submitted for 1957-58.

I should like first to comment briefly on votes 85, 86 and 87 which concern the administrative costs of the department and which account for about one-fifth of the total estimates, and then to discuss in general those other votes which relate to the various forms of foreign aid. As to those votes which concern the Colombo plan and the International Joint Commission, as in past years, I shall leave discussion of those items to the officers administering them who will appear before the committee later on in your proceedings.

In regard to votes 85, 86 and 87, I shall not attempt to enlarge on the particulars of the changes in these votes over the last fiscal year since those details are already provided in the mimeographed material before you, which may serve as a basis for your questions in respect of the various items contained in the votes.

Briefly, however, the increases in votes 85 and 86 arise chiefly from greater volume of activity abroad in consequence of the creation of new posts. Within the last fiscal year two additional posts were established in Ghana and Malaya and a Canadian commissioner has been appointed to the federation of the West Indies.

In establishing the main and supplementary estimates, the department met these new staff commitments by the transfer of existing positions. The

remaining essential staff was provided by requiring some posts and divisions of the department to operate with reduced staff.

There has not, accordingly, been a substantial change in the personnel establishment situation in the department, the department's increased responsibilities being met by a re-adjustment of staff arrangements at home and abroad.

I might observe here that when we speak of the establishment of a department, we refer to its framework in terms of positions. The personnel complement of a department is, therefore, dependent on the number of positions approved for the department. We have in the Department of External Affairs a total of 1,923 positions. These positions are of various classifications. In the main, however, there are five categories as follows:

Foreign service officers, of which we have 338 positions
 External Affairs officers, of which we have 70 positions
 Administrative officers, of which we have 6 positions
 Foreign service employees, of which we have 1,007 positions
 Locally-engaged staff, of which we have 495 positions

In addition to these categories we have 7 positions of a miscellaneous character.

As you probably know, locally-engaged personnel are those employees who are hired by our missions abroad. They are generally nationals of the country in which the mission is located. They may be required to do any number of different tasks, ranging from gardening to consular work.

The foreign service officers of the department after they have acquired some experience in their trade may become what is commonly known as "Diplomats". More often than not they are performing tasks at Ottawa similar to those of other civil servants. Essentially, a foreign service officer is expected to work in the broad field of international relations in political, economic, cultural and trade relations.

The External Affairs officers of the department are in a sense a rather specialized group in that they may do information and consular work. On occasion, some may do political work. By and large, however, the majority of our External Affairs officers are charged with the administrative work of the Department and of our missions abroad.

The majority of the External Affairs officers in the department have been drawn from our foreign service employees. The establishment of the External Affairs officer class has permitted the department to provide a promotion ladder for our senior, competent, and experienced clerical personnel.

I turn now to the foreign service employees of the department. In a sense, they are the backbone of the department since in this group one finds all our stenographers and clerks. At missions abroad, employees in this classification may be asked to do a great variety of tasks, some of which are of real interest, whereas others are, as is inevitable in any large organization, somewhat routine. They are the people who staff our registries, despatch our telegrams and reports, perform consular duties and assist in the dissemination of Canadian information abroad.

At the present time, the strength of the Department in terms of personnel is as follows:

Foreign Service Officers	308
External Affairs Officers	61
Administrative Officers	9
Miscellaneous classification	5
Foreign Service Employees	985
Locally-engaged Staff	493

It might be useful if I were to make some general remarks about the problems which face us whenever a new mission is opened. Normally, when a decision is taken by the Government to open a new mission, a decision should also be taken to establish the required number of positions of the various categories mentioned earlier. For example, I think it reasonably accurate to say that the minimum number of employees required at a small mission is—a head of mission, a foreign service officer, an External Affairs officer, and three foreign service employees, two of whom may be stenographers and one a clerk. To this complement of Ottawa-based personnel, we should add six locally-engaged personnel, three of whom are in a sense household servants (chauffeur, senior servant, and gardener), the remaining three being messenger, receptionist and general duties clerk—depending on the language of the country, there may be a need for an additional employee in the form of a translator-interpreter.

As a mission grows in importance, it is inevitable that there will be some increase in its personnel complement. As an example of what I mean, there is our mission in Cairo which, when it opened in 1954, consisted of 14 persons, of whom 2 were foreign service officers, 5 foreign service employees and 6 locally-engaged staff. The Suez crisis in 1956 and the establishment of the United Nations Emergency Force with a strong Canadian component placed a great strain on the personnel resources of the Cairo mission. To meet the demands that were made on the mission, it was necessary for us to seek approval for an increase in its establishment to provide for additional staff. The present establishment of this mission is 4 officers, 12 foreign service employees and 9 locally-engaged staff. I could take other examples of missions which have grown in importance since they were first opened. On the other hand some missions may decrease in importance and a downward re-adjustment is made in the establishment.

I do not think that the department is prodigal in the deployment of its personnel resources. We try very hard to relate any increase in personnel to new responsibilities. There has been in the last twenty years considerable expansion in the personnel strength of the department which, I think, reflects the increased responsibilities which have been laid upon it.

To satisfy ourselves that we are economical in our deployment of personnel and that our establishment is not excessive, we established in 1954 an inspection unit under the direction of a senior departmental officer who had had considerable experience in the personnel, financial and administrative work of the department. It has been the responsibility of this officer to visit Canadian missions abroad, to review the work of these missions, and to make recommendations about the adequacy or otherwise of their approved establishments. I can assure you that the inspection unit has made many recommendations which have lead to reductions in establishment. In a sense, the reason why the department has been able to take on so many additional responsibilities in recent years is that we have contracted our activities at some posts to provide positions and personnel from our own resources for other posts and for these new responsibilities.

Vote 85, departmental administration, now includes the administrative costs of the passport office which, in the last fiscal year, was shown as a separate vote in the main estimates. In this connection I might observe that the volume of business in the passport office has shown a steady increase in the past few years. Issuance of passports has increased by 55 per cent over the past seven years. In the calendar year 1957 the passport office issued 97,804 passports and receipts amounted to \$542,311. Administrative costs were about half the total of revenue received. A further increase in volume is reflected in the figures for 1958. During the first five months of the present year over

52,500 passports were issued compared with 48,700 during the similar period in 1957. It is anticipated that there will be an increase of from 7 per cent to 10 per cent in the number of passports issued in the present calendar year.

Other consular responsibilities of the department have also continued to increase in volume. More Canadian travelled abroad than in previous years and, in consequence, there was a greater measure of consular assistance of various kinds afforded by officers abroad. Progress was made in facilitating travel of Canadian citizens abroad by the completion of visa agreements with various countries, the most recent of which, with Portugal, came into effect last February. Canadians may now temporarily enter sixteen countries without the prior necessity of obtaining visas.

At the present time negotiations toward visa agreements are proceeding with Spain and Finland and there is also consideration being given to initiating similar procedures with other countries.

Entry restrictions amongst the countries of the world constitute a development which found its origin chiefly in World War I. With the years, the practice has become solidly and widely established and it is only through bilateral visa agreements between countries that the transit of their respective borders by their nationals can be made with relative ease. It is the policy of the department, therefore, to seek relief from this inhibition to the free movement of Canadians across frontiers, by attempting to enlarge wherever possible by visa agreements those areas abroad where unrestricted temporary entry can be assured for Canadians.

In regard to vote 87, which concerns our properties operations abroad, it might place this subject in better perspective if I were to remark generally upon the considerations which guide the department's activities in this connection.

The advantages of owning our own chanceries and official residences—and also staff quarters at a number of difficult locations—are obvious. At the present time, the department owns 12 chanceries of the 59 it occupies around the world and 15 of its 53 official residences. The department also owns 15 staff quarters and has acquired 6 building sites. These properties, in the main, have been obtained during the past ten years. The trend toward owning our own premises abroad has been dictated by the following considerations:

- (a) renter properties, with very few exceptions, seldom meet our requirements notwithstanding the fact that rentals and alteration costs are exceedingly high;
- (b) tenure is uncertain;
- (c) rented premises do not provide protection for classified material and cypher equipment, making it extremely difficult, if not impossible to introduce essential security safeguards;
- (d) the carrying out of furnishing schemes in official residences occupied by heads of post on a rental basis involves additional expense. Furniture, curtains, etc. are frequently surplus or unsuitable, following a move to new premises on termination of a lease, the cost of which is in addition to the substantial recurring removal expense;
- (e) it is undignified for a country to change business addresses in a capital every so often.

In order to provide satisfactory accommodation for both residences of heads of post and for chanceries, therefore, it will be necessary during the years to come to continue our programme to purchase or build premises at a number of posts abroad.

There are at the moment several locations at which we have most pressing accommodation problems. For example, the properties occupied as both residence and chancery in Ankara are inadequate and the duration of our leases is uncertain. The Turkish government donated a parcel of land on which we can build and it is felt that during the current fiscal year, building plans should be developed and, if possible construction commenced. Recently, the department purchased land in New Delhi for a chancery. The chancery's space is entirely inadequate and, owing to the climatic conditions the Canadian personnel serving at this Post should not be asked to remain in these quarters for any extended period of time. Here, too, it is hoped that building plans can be got under way this fiscal year. In addition, we have building sites in Brussels, Rome, and Canberra where early plans should be made to develop these sites.

Until now, building purchases and construction projects have been handled within the staff resources of the department, using locally selected architects and technical experts as and when needed. Some of this work can still be done by members of the department but it would not be desirable from financial and other points of view to maintain on our permanent staff sufficient personnel and, particularly, architects capable of handling all this work. We have discussed the problem with the Department of Public Works and have been advised that the architectural staff of that department would not be able to undertake the work on our behalf, although Public Works could provide, on occasions, the services of one of its technical officers to supervise construction.

In order that the program of construction or purchase can be carried out in widely dispersed areas throughout the world, the Department has been giving careful thought to ways and means by which this objective could be achieved. After consultation with the Department of Public Works and the royal architectural institute of Canada it has been recommended that a Board be established consisting of a senior officer of this department as chairman, the chief architect of Public Works and three architects nominated by the royal architectural Institute of Canada whose functions would be:

- (a) to provide the department with the names of one or more Canadian architects who, in the board's opinion, are considered best qualified to design a particular building abroad;
- (b) to review and advise on the architectural quality, fitness and merit of the designs and plans prepared for each building project;
- (c) to submit its reports and recommendations to the Under-Secretary of State for External Affairs. Where unanimity is lacking, to report both majority and minority views for consideration by the department.

I should like to take this opportunity publicly to thank the royal architectural institute for their most generous cooperation.

In supplying paintings to posts abroad the Department of External Affairs has obtained the cooperation of the National Gallery of Canada in holding a private exhibition of the work of some sixty Canadian painters from whom a selection of suitable works can be purchased for placing in the residence of Canadian embassies abroad. These are painters from coast to coast whose studios it is impossible, because of the distances involved, to visit individually in order to make preliminary selections. Hence the idea of inviting the artists concerned to send in paintings for consideration in Ottawa.

The final list of artists was approved jointly by the Department of External Affairs and the national gallery of Canada. The artists, in the letters of invitation, have been told that the department wishes to select and buy paintings interpretative of Canadian life and the Canadian scene in the following categories: landscapes, street scenes, interiors, still lifes, genre paintings of all kinds.

All paintings must reach the national gallery by October 10, 1958. Decision as to purchase will be made by the end of October.

Before passing on to some general observations on foreign aid, I should like to preface the subject by referring in particular to a matter in this connection regarding which the committee last year showed considerable interest. You may recall that, in discussing the Canadian contribution to the United Nations refugee fund, the committee was concerned about the progress being made in reducing the number of refugees who still remained in camps in Europe. The latest reports are more encouraging than the information which you received last year and, accordingly, you may wish to hear of the most recent developments toward solving this long-standing problem.

The program of the United Nations refugee fund, or UNREF, as it is usually called, was instituted by a resolution of the United Nations general assembly in 1954 for a four-year period. It authorized the United Nations high commissioner for refugees to seek funds for the purpose of arranging permanent solutions for refugee cases coming within his mandate. At that time the post-war figure of close to 2.2 million refugees in Europe had been reduced either by emigration, re-establishment in the country of asylum, or voluntary return to original homes, to about 350,000, of whom 87,000 were still living in camps. The international refugee organization, a specialized agency established in 1946 to deal with refugee problems had been disbanded in 1952.

Now, after four years of the UNREF program, the camp population has been reduced to 30,000. It is estimated that, on December 31, 1958 when the present UNREF program is due to expire, there will still be some 17,600 refugees in camps who are not yet settled. This group will include many aged, sick or "hard core" refugees for whom it is difficult to make permanent arrangements.

This figure does not include the recent refugees from Hungary, who are dealt with as a separate problem. Of the 183,000 refugees who fled from Hungary in the fall of 1956, some 19,000 still remain in Austria, of whom, perhaps 10,000 can be integrated into that country. Another 1,200 non-settled Hungarian refugees remain in Italy. In addition to the \$1,000,000 which the Canadian parliament voted for Hungarian relief, Canada has contributed to this program by accepting over 36,000 Hungarian refugees. A recent decision by Canada to accept a further 700 Hungarian refugees from Yugoslavia was helpful in effecting a complete solution of the Hungarian refugee problem in that country.

With reference to the regular refugee programme, Canada contributed \$18.8 million to the international refugee organization (IRO) before it was disbanded, and a further \$610,000 to the UNREF program from 1954 to 1958. In November of last year, Canada announced its intention, subject to parliamentary approval, of contributing a further \$200,000 to the UNREF program in 1958; and this sum is included in the main estimates. Contributions totalling approximately \$3.3 million have been pledged for 1958 by twelve governments.

In view of the impending termination of the UNREF program, the general assembly at its last session adopted a resolution (cosponsored by Canada) requesting the high commissioner to intensify his efforts under the UNREF program to achieve permanent solutions for the maximum number of refugees remaining in camps, to complete the projects which he has now under way and authorizing him to appeal to governments for the additional funds needed for closing the refugee camps.

The high commissioner has estimated that the funds still required to carry out the requirements of this resolution would be \$7.5 million. He hopes that, if governments meet his request for increased contributions in the near future, these camps can be closed once and for all by the end of 1960, thus terminating one of the most urgent and costly aspects of his mandate.

In my observations upon the external aid activities which are carried on under various votes of the Department of External Affairs I should first comment on Canada's contribution to UN assistance activities. While a certain amount of what may be classified as aid is carried on by each of the specialized agencies of the United Nations, paid for out of their own budgets (to which Canada contributes) the most important aid activities of the United Nations are carried on under what is called the expanded technical assistance program. This is a program financed by voluntary annual contributions by member governments, as opposed to assessed contributions to annual budgets. Canada is the second highest per capita contributor to EPTA, exceeded only by Denmark. The Canadian contribution for the current year is provided by vote 96—\$2 million (U.S.).

I might explain that this so-called expanded program is directed and co-ordinated by the technical assistance board. This board allocates the sums voluntarily contributed by governments—which is now about \$30 million a year—to the various assistance programs put forward by different countries and carried out by the various specialized agencies within their particular fields of competence. The function of the Board is to ensure that there will not be duplication and overlapping of the assistance activities of the different agencies. This makes it possible to use the funds that are contributed by member governments to meet the highest priority needs of each of the recipient governments.

I should also remind the committee that two years ago the Canadian delegation to the general assembly was authorized to indicate that if the program continued to operate on a satisfactory basis, the United Nations could expect a contribution by Canada of the same order as was being contributed for that year, namely \$2 million. Last year, during the twelfth general assembly, \$2 million was pledged for the forthcoming fiscal year. Vote 96 is designed to seek the authority of Parliament for honouring that pledge given by the Canadian delegation. I do not think I need to emphasize to this committee the usefulness and value of the United Nations technical assistance programs. That it is making an important contribution to international welfare and to raising the standards of living in the under-developed countries, is widely known and accepted.

Before I leave this subject of the technical assistance activities of the United Nations, I would like to mention the proposal to establish a special fund in the UN, to expand the assistance activities of the United Nations. I should point out that the decision to establish this fund was taken by the twelfth general assembly. As explained during the last series of meetings of this committee, during the twelfth general assembly the Canadian representative indicated that if the organizational and administrative arrangements for the fund were satisfactory, and if the proposals, as finally accepted by the United Nations, were broadly supported in the international community, Canada would consider making an appropriate contribution. When the resolution establishing the fund was passed, it was, of course, supported by Canada. A preparatory committee was established to draw up recommendations for the organizational and financial arrangements for the special fund, and to define precisely its sphere of activity.

Canada was appointed a member of that committee; the committee met for a period of five weeks in March and April of this year, and prepared a report to the United Nations. This report is being considered in the 26 session of the economic and social council, now meeting in Geneva. The economic and social council will put its views on the work of the preparatory committee to the thirteenth general assembly next autumn; it is likely that at that time Canada will have to give a precise indication of the size of any

Canadian contribution. I merely make this explanation, Mr. Chairman, so that the members of the committee who expressed some interest in this matter at the last series of meetings in the committee, will understand why there is no need yet for an item to appear in the estimates for this purpose. We would expect that if a Canadian contribution is decided upon, it will appear in the main estimates for the next fiscal year.

If I may now turn, Mr. Chairman, to the aid activities which Canada carries on, other than in the United Nations context; there are a number of items in the estimates which relate to these activities. Vote 104 seeks authority to make a further contribution of \$35 million to the Canadian Colombo plan fund. Vote 110 seeks authority for the provision of \$135,000 to provide technical assistance to the West Indies and Ghana. Vote 111 seeks authority for \$10 million to provide for the purchase of wheat and flour to be given to India, Pakistan and Ceylon, to relieve food shortages. Vote 502 (under loans, investments and advances, which will be found on page 89 of the main estimates) seeks authority for the provision of special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada to supplement the economic assistance given under the Colombo plan. In the supplementary estimates vote 549 seeks authority to provide \$1,475,000 for the West Indies assistance program, and 545 asks \$3 million to be re-authorized for the provision of wheat and flour to India, Pakistan and Ceylon, to relieve food shortages.

The members of the committee will see from this tabulation that the Canadian assistance program is being broadened to include two new countries, Ghana and the West Indies, and that steps are being taken to provide certain amounts of Canadian wheat and flour to Colombo plan countries, as either loans or grants, to assist them in meeting their immediate needs. I might comment briefly on each of these various programs.

The Colombo plan program during the past year was mainly concerned with the carrying forward of a number of substantial long-term projects in which we are engaged in a number of countries, particularly India, Pakistan and Ceylon and to which the bulk of Canadian Colombo plan aid is assigned. In the case of India, the provision of industrial metals, wheat, and railroad ties, which helps to keep the Indian economy operating, and which gives immediate assistance to India in meeting its foreign exchange charges, is now a major feature of the program. The broad outlines of our Colombo plan program were established fairly early in the history of the plan, when we decided to undertake a number of projects in different countries, such as extensive aerial survey operations in Ceylon, the building of steam electric and hydroelectric plants and transmission lines in Pakistan and India, and assistance to transportation. Most of these projects take a considerable period to finish, and while some of the projects have been completed and turned over formally to the recipient countries, our main efforts and the bulk of the money made available must still be devoted to finishing the major projects which we have undertaken.

At the same time our technical assistance program that is, the program under which we provide experts to the under-developed countries and training of their personnel in Canada, which is also financed out of this Colombo plan vote, has continued to grow until during the past year, and has accounted for about \$1½ million of the expenditures out of the fund.

Mr. Chairman, there have been a number of statements by the Prime Minister, the minister and by the acting minister of the department, as to the allocation by the Canadian government of Colombo plan funds to particular projects and purchases in the Colombo plan area. As agreements have been reached over the past year with recipient governments on major projects and proposals, these have been brought to the attention of the house. There is, perhaps, little point of my recapitulating the information that has already

been given. Nor am I in a position to comment in any detail at this time on the allocation to the various Colombo plan countries of the \$35 million sum which appears in the vote. This depends, of course, on the proposals which are put before us by the recipient governments; discussions are now underway between ourselves, our missions abroad, and officials in the recipient governments, as to how the monies available might be spent. Until these discussions have progressed somewhat further, it would hardly be appropriate for me to elaborate.

It has been the custom in the past, Mr. Chairman, for the committee to ask representatives of the Department of Trade and Commerce, who are responsible for the detailed administration of the projects being carried out under our Colombo plan, to give more detailed information on the actual projects. Mr. Rosenthal, the acting administrator of the international economic and technical co-operation division of the Department of Trade and Commerce, is available if the committee wishes to have such information.

I now turn to the various votes for the provision of wheat and flour to Colombo plan countries. These have previously been described in considerable detail in the house. Perhaps all I need mention at this point is that the amounts shown in the main estimates and the supplementary estimates are the balance of funds which were not used in the last fiscal year. It was proposed last year that \$15 million should be allocated to India, Pakistan and Ceylon for grants of wheat and flour to relieve food shortages. Not all of this \$15 million worth of wheat and flour could actually be shipped during the fiscal year, and therefore, the estimates this year seek authority for the balance of that \$15 million. As for the \$10 million item available for loans for the purchase of wheat and flour, the members of the committee will recall that the Minister of Trade and Commerce made a statement in the house on January 8 last, indicating that the government was prepared to make loans to Colombo plan countries up to a total of \$35 million. Subsequently agreement was reached with India to take up \$25 million of this line of credit. The item in the main estimates for \$10 million is the balance of the \$35 million for which the government proposed to seek authority. Obviously it would not be appropriate for me to comment as to any negotiation which might be going on between Canada and other countries at this time as to the taking up of all or a portion of the \$10 million balance of the line of credit. Should agreement be reached with our Colombo plan friends for the use of these funds, I would expect that the minister would wish to draw the attention of the House of Commons to such arrangements.

Turning now to the West Indies and Ghana, there is little I can add to the information which has not already been given on a variety of occasions to members in the house. Last year authority was sought for the setting up of interim arrangements for technical assistance to Ghana and the West Indies. These two countries appeared to have a particular claim on Canadian resources. Ghana is a new country in the commonwealth and the first non-white independent commonwealth country to emerge in Africa. The West Indian federation, while still a colony, has taken the first step towards full independent status. This step appeared to be an appropriate occasion to put in hand arrangements for the provision of some assistance to the people of a group of islands who have developed close ties with Canada. These interim arrangements enabled us to meet some immediate requests for Canadian experts for these two countries, and we are now in the process of putting these assistance arrangements on a more permanent basis.

The \$135,000 item for technical assistance for the West Indies and Ghana is, of course, the balance of the amount which was not required in 1957-1958. It will be recalled by members of the committee that it was fairly late in the

financial year when this program was first put in hand, and in fact, very few expenditures were feasible. I would expect that during the current year the bulk of this money under this interim arrangement will, in fact, be required for expenditures for Ghana, and that the growing volume of our commitments in the West Indies federation would be met out of the vote for the West Indies alone. The members of the committee will note that in the details of the estimates it is made clear that the vote of \$1,475,000 is intended to cover commitments during the current year for three separate purposes; first, to get an economic or capital assistance program underway—the major part of this is, of course, for a ship for the inter-island shipping service; second, to meet the cost of technical assistance, that is, the provision of Canadian experts, and the training of West Indians in Canada; and third, to help the West Indies to meet the cost of the film about federation, which was produced at their request by our National Film Board. These items are relatively self-explanatory, Mr. Chairman, but perhaps I might draw members' attention to the fact that the minister made a detailed statement on the present status of a proposal to give a ship to the West Indies in an answer to a question asked by the member for Montreal-Laurier. The answer appears in *Hansard* for June 17. The detailed work involved in this project, as honourable members are no doubt aware, will be carried out by the Department of Transport, under the general administrative guidance of the International and Technical Co-operation Division of the Department of Trade and Commerce, which is charged with the administration of all our aid projects.

Mr. Chairman, I have tried to indicate briefly the main lines of Canada's aid activities as this matter relates to the items in the estimates of my department. Officials of the department of Trade and Commerce and of the Department of External Affairs, will, of course, be available to the committee to answer questions on any of these matters, and particularly on any of the projects in different countries in which members may be particularly interested. I would conclude, Mr. Chairman, by offering to make available to the committee two documents which summarize the volume and direction of Canadian aid. The first is a brief tabulation of the total flow of Canadian assistance in every form since the end of World War II. The second is a compilation of aid to various countries since 1954, prepared for submission to the United Nations. This is a revised version of a paper which was made available to the committee last year. Sufficient copies are available for all members of the committee.

In order to complete the documentation in respect of the main estimates, I should like to circulate a further document giving information prepared for members of this committee. This material is in two parts: a comparison of the 1958-59 estimates with those of 1957-58 with an explanation of all substantial changes, and a series of appendices comparing the 1958-59 estimates with the estimated expenditures for 1957-58 and the actual expenditures for 1956-57.

The CHAIRMAN: Is it agreed that this be printed as an appendix to today's proceedings.

Agreed.

(See Appendix A)

Mr. CRESTOHL: While the documents are being circulated, if I remember correctly there was also to have been distributed by the department the report covering Colonel Flint's death.

Mr. LEGER: Yes. As you have suggested, Mr. Chairman, there were a few questions which remain unanswered from the last meeting, among which is the question referred to by Mr. Crestohl. If I may, I could make the statements on those questions which remain unanswered.

The first was a question asked by Doctor Vivian as to what are the financial considerations in establishing a new post at Teheran and appointing heads of post to Tel Aviv and Beirut.

As a result of the Prime Minister's recent announcement that a diplomatic mission will be established in Teheran and that heads of post will be appointed to Beirut and Tel Aviv at which hitherto Canada has been represented by means of the double accreditation of our ambassadors in Cairo and Athens respectively, further financial requirements for the remainder of this fiscal year and in the fiscal year 1959-60 will arise. On the basis of these additional commitments which are beyond the extent of the financial and staff planning contained within the estimates now under consideration, our costs in operations abroad will increase by the following amounts:

Operational	\$190,585 annually
Capital	\$ 66,025 during first full year

For the remainder of the fiscal year the increased expenditures are estimated to be

Operational	\$79,400
Capital	\$40,000

Of these estimated costs the new post at Teheran would account for, on an annual basis, \$130,000 in operational costs and \$30,000 in capital. The immediate requirements, until the end of the present fiscal year, in establishing this post, are estimated to be, operational \$54,100, capital \$25,000. There will also be reflected in the departmental administration vote an increase annually of \$35,000 in relation to the opening of the new mission, which amount consists mainly of expenditures for communications, courier service, travelling and removal expenses. For the remainder of the fiscal year the departmental administration vote would be obliged to absorb about \$20,000 in consequence of the opening of this new post.

These figures in respect to Teheran represent a rather general approximation since that portion of the estimated costs which concern accommodation and furnishings is difficult to establish until the advance party which we are to send very shortly has arrived at the mission.

There was a further question on Palestine refugees to which I made reference. The question was as to whether the resettlement of Palestine refugees in Syria had been affected by the union of Syria with Egypt in the United Arab republic because economic factors and a comparatively low density of local population, the 92,000 refugees in Syria have been able to be assimilated into their surroundings to a greater extent than those in Lebanon, Jordan and the Gaza strip; in Jordan and Gaza in particular, the refugee population is so large in relation to the local population that almost no progress has been made. The official policy of all four "host governments", however, has been the same towards the refugees, except that in Jordan they have been granted Jordanian citizenship.

In all four regions, as the Director of UNRWA said in his last report, "the desire of the refugees for repatriation and their opposition to permanent resettlement continue unabated." According to our information the formation of the UAR has brought no change in the status of the refugees in either Syrian or Egyptian-controlled territory.

The third question refers to the Indo-China Commission. I think the question was asked by Mr. Martin. Developments in Indo-China during the past year have permitted the three international commissions to effect a certain reduction in personnel. The number of Canadian personnel now stationed in the area now totals 94, comprising 75 service personnel and 19 external affairs personnel.

The Vietnam Commission employs the major proportion of the Canadian contingent. This consists of 63 service personnel and 14 from External Affairs.

In Laos the entire Canadian delegation will be able to withdraw in the very near future.

No teams are stationed outside the capital of Phnom Penh. The current Canadian strength is 7, comprising 4 service personnel and 3 External Affairs. It is our hope that the Laotian adjournment formula will become applicable to the Cambodian Commission.

If withdrawal from the both Laos and Cambodia is effected this will bring about a Canadian reduction in the Indo-China delegations of 17 personnel. It is also possible that although the Vietnam Commission will remain, further reductions may be achieved there if the situation does not deteriorate.

A further question was asked by Mr. Richard on the World Copyright Convention. I think the question was: has the government taken any stand or position about the World Copyright Treaty.

I assume that what Mr. Richard had in mind was the universal copyright convention which was signed on September 6, 1952 at Geneva.

Although one of the 86 countries signing the convention in 1952, Canada has not taken action to ratify it pending the findings of the Royal Commission on Patents, Copyrights, Trademarks and Industrial Designs.

As you know, the Commission's report on copyright has been presented to Parliament and will, in due course, come up for consideration. Since any implementing action would rest with the Secretary of State, perhaps if there are further questions on this subject, they might be directed to him.

There was also a series of questions on Canadian claims in Poland, and on any Polish estates, held by the Canadian custodian.

According to our files we have 200 claims for residents of Canada amounting to approximately \$22 million, generally resulting from nationalization measures enacted after World War II. Among those claimants, many of them, however, do not qualify for the Canadian government espousing their claim under relevant provisions of international law, since they were not Canadian citizens at the time of the loss of or damage to their property.

According to international law the state is entitled to make diplomatic representations with regard to the claims of only those persons who were inhabitants, both at the date of the injury to or loss of their property and at the date of their presentation of the claim.

With respect to those claims the Polish government had suggested that a settlement of the claims for expropriation of the property could be guaranteed only if the Canadian government were prepared to enter with them into bilateral trade agreements providing for specified levels of trade in both directions.

In 1956 it was decided that Canada should not enter into agreements of this nature because such an arrangement would be contrary to Canada's trade policy.

Then, I come to the question of Colonel Flint asked by Mr. Crestohl. There have been two reports of the United Nations Truce Supervision Organization on the circumstances of the death of Colonel Flint on May 26. The first of these documents (S4030) was circulated by the Secretary General on June 17, 1958, and the second addendum, document S4030 (Addendum 1) circulated on July 28.

The main report discussed the actual details of the incident in which Colonel Flint lost his life, and also describes the background of the incident. The

EXTERNAL AFFAIRS

three main conclusions of this bulky document might be briefly summarized as follows:

- (a) Colonel Flint "was probably shot by a bullet fired from Jordanian controlled territory", although there was a remote possibility that there might have been a ricochet.
- (b) Patrolling by the Israeli police in areas of Mount Scopus inhabited or cultivated by the Arabs has resulted in contacts and conflicts which could be avoided.
- (c) If each side were to refrain from working or developing disputed areas on Mount Scopus—Colonel Flint was killed in a disputed area—claims of sovereignty could be left in abeyance for the time being and tension might be diminished.

This is, of course, only an approximate summary, and members of the Committee might wish to read the document in full in order to have an accurate idea of the situation and the conclusions of UNTSO.

The addendum of July 28 is divided into two parts. The first states that, according to a ballistic test, "the bullet which killed Colonel Flint was a direct shot", and not a ricochet, so that it is "to be considered as established that Lt. Col. Flint was shot by a bullet fired from Jordanian controlled territory".

The second part concerns efforts by U.N. representatives to obtain the reopening of the "only reasonable road available" to the Arab village of Issawiya in the Mount Scopus area, the road having been closed by the Israeli authorities on June 1 (after the incident in which Colonel Flint was killed); this step, according to the report, "added gravely to an already explosive situation and required immediate rectification". The road was re-opened for daylight use from June 23; Mr. Hammarskjöld has since brought to the attention of the Government of Israel the view of U.N. representatives that "the implied prohibition of night use carried with it possibilities of further incidents and aggravations".

The first of these two documents in particular is of considerable length (some 48-double-spaced typed pages), and I do not mean to suggest that they be printed in the official record, but I shall leave them here in case members wish to consult them at their discretion.

The CHAIRMAN: What is the wish of the committee regarding this bulky report that the Under-Secretary has referred to?

Mr. CRESTOHL: That we comply with the suggestion of the Under-Secretary.

The CHAIRMAN: Does that meet with the wishes of the committee?

(Agreed)

The CHAIRMAN: I am sure we are all very much indebted to the under-secretary for the full explanation he has given of the various questions that arose out of previous meetings.

Thank you.

Mr. LEGER: We are now at the disposal of the committee, Mr. Chairman, to try to answer any questions.

Mr. CRESTOHL: Mr. Chairman, I think there is one more question I had raised. I put the question to the Prime Minister during the session. I did not have a copy of Hansard with me and for clarification I would like to repeat the question, because there was some doubts as to whether the answer fell under the jurisdiction of the Department of External Affairs or the Secretary of State.

Mr. JONES: Mr. Chairman, this is a question that was asked of the Prime Minister.

Mr. CRESTOHL: It was a question I asked of the Prime Minister.

Mr. JONES: Did he answer it?

Mr. CRESTOHL: He said he would give us an answer at a later date.

Mr. JONES: Has he answered it yet?

Mr. CRESTOHL: No, not yet.

Mr. JONES: Then I suggest, Mr. Chairman, that this is not a matter that should be brought before this committee, but should be dealt with in the house on orders of the day in the usual way.

Mr. CRESTOHL: I am afraid the honourable gentleman has not understood the purpose of my question. I wanted to ascertain whether this falls within the jurisdiction of External Affairs or the Secretary of State.

Mr. JONES: But the question has already been put to the Prime Minister and I presume in the ordinary course of events he will answer it. The appropriate place to have it answered is on orders of the day in the usual manner and not in the committee on External Affairs.

The CHAIRMAN: I think all that Mr. Crestohl wants to clear up is whether it falls within the jurisdiction of External Affairs or the Secretary of State. Such being the case I think that is quite appropriate; but if he is going to ask for an answer before the Prime Minister answers the question, then I would say it is out of order.

Mr. CRESTOHL: I am not going to ask for an answer. I do not know to which department I should address myself.

Mr. JONES: You have already said you have put the question to the Prime Minister and in such case as that a question addressed to the Prime Minister can be answered by him, whether it falls under any one of the particular departments, unless one of the cabinet ministers involved wishes to answer the question. I do not think this committee should be substituted for orders of the day.

Mr. CRESTOHL: Well, Mr. Chairman, I will put the question to the under-secretary. Could he tell me whether a question such as this would fall under the jurisdiction of his department? I will put the question.

Mr. JONES: I still submit, Mr. Chairman, this is an improper question.

Mr. CRESTOHL: Mr. Chairman, a member has the right to ask questions. There are many questions asked here which have been previously asked on orders of the day.

Mr. JONES: Well, what is the question?

Mr. CRESTOHL: I am going to read it.

Mr. JONES: Well, read it.

Mr. CRESTOHL: I was about to read it when I was interrupted.

Mr. Chairman, the question is this: Has any further consideration been given to establishing a release policy with regard to Hungarian, Polish and Roumanian assets listed in the custodian similar to the so-called victims policy applicable to German assets, whereby individuals who prove that they themselves were subject to nazi persecution can have their property rights restored?

Mr. VIVIAN: Mr. Chairman, inasmuch as this is a question of policy, is this a question that should be asked of the Secretary of State?

The CHAIRMAN: I am inclined to agree with the view expressed by Dr. Vivian.

Mr. MARTIN: But it could depend on whether the government has declared its policy. If the government has declared the policy, then it could be

answered. Perhaps it could be answered as to whether there has been a declaration of policy along those lines yet.

Mr. LEGER: The answer to that question is no; I do not know.

Mr. CRESTOHL: You do not know if there has been a declaration of policy dealing with what is held by the custodian under these circumstances?

The CHAIRMAN: Gentlemen, I think with respect to the question which Mr. Crestohl has addressed to the Prime Minister—the answer that the Prime Minister will give will designate the policy.

Mr. JONES: The question he is now asking is entirely different from the one he claimed he was going to ask a moment ago. He now asks about a policy matter. I think if we pursue this matter it will only serve to waste the time of the committee. I submit this is not the proper place to deal with this question.

The CHAIRMAN: I think we should take notice of the fact that the under secretary has stated that he has no knowledge of the policy and consequently he has no answer.

Mr. CRESTOHL: That is an answer.

Mr. MCGEE: According to my understanding of the orders of the day as expressed frequently by the speaker, it is that any member may ask a question, but he is not entitled to receive an answer. This is the very same situation. But when estimates come before a committee, the committee may insist on receiving an answer before they pass those estimates.

Mr. CRESTOHL: Here was a question which I put to the Prime Minister and which is yet unanswered. Therefore a reply from the under secretary might, in some form, impede the Prime Minister in giving an answer. I understand the objection that has been taken and I think it has been properly taken. All I am trying to do is to seek information as to whom I may address this question.

Mr. JONES: Mr. Chairman, I suggest that this is out of order. What Mr. Crestohl is asking for in effect is for a reply to a question he has asked in the house. Let him get up tomorrow on the orders of the day and ask for an answer.

Mr. CRESTOHL: I put my question on June 18, and there has been no reply as yet. I wish to avoid embarrassment.

The CHAIRMAN: I think the matter has been disposed of. Are there any further questions?

Mr. HERRIDGE: Are you dealing with the general question of administration?

The CHAIRMAN: Yes, and with the statement that was taken as read and tabled by the under secretary on Monday.

Mr. HERRIDGE: Are all the officials and employees of your department in Canada, Canadian citizens?

Mr. LEGER: I am sure, Mr. Chairman, that all employees who have access to confidential information are Canadian.

Mr. HERRIDGE: With respect to other employees, does your department give effect to the veteran's preference in the Civil Service Act?

Mr. LEGER: The answer is yes.

Mr. HERRIDGE: I notice a reference here to residences in chanceries—in some cases in the same building, which serves both purposes. At what point is it decided to have both buildings, in view of the size of the establishment?

Mr. LEGER: I think generally the question is: that you would rather have your chanceries in the centre of a town particularly for the purposes of trade

and contact with the foreign office and with other chanceries which are usually in the centre of a town—as is the case here in Ottawa.

But when your residence is—let us say—on the equivalent of the Island Park Drive here in Ottawa, it would not be necessarily satisfactory if the chanceries were also located there. Moreover if there were businessmen coming in and living in hotels in the centre of the town, they would have to go so far away.

Another inconvenience would be in the case of visa applicants who might need a visa in a hurry. If our offices were located away out, it would complicate their lives somewhat. So usually we try to have our offices—and therefore the chancery—in the centre of the town.

Mr. HERRIDGE: I note the very interesting memo with respect to the advisory committee of architects which advises concerning buildings and design. Who has the final say as to the size of the building that will be built, and the design?

Mr. LEGER: May I ask Mr. Matthews to answer the second part of your question?

With respect to the first part, as to size, I think the final authority is the treasury board.

Mr. HERRIDGE: It is limited by the treasury board because they have the funds, I presume?

Mr. W. D. MATTHEWS (*Assistant Under-Secretary of State for External Affairs*): As the under secretary's statement pointed out, this was a matter which was being recommended by the department. It is under consideration now.

I am happy to say that the first reaction to it is that something along this line was desirable.

But the official composition of the committee—the relationship of this committee to the treasury aspects of it, which is so important in any building, has not yet been decided, so it is impossible to say who will have the final decision.

But the recommendation which went forward from our department was that the committee should be composed partly of government officials and partly of representatives of the architectural institute; and that the committee would do two things; one, to nominate an architect where it was needed to obtain an architect outside the government service; and two, to pass on the architectural quality of the design.

I think something of this nature will materialize, but it will be a month or two yet.

Mr. HERRIDGE: Just a couple of other questions: with respect to the vehicles which are used overseas. What arrangements are made? Does the department own the vehicle, or does it pay so much a mile for the use of a vehicle owned by a member of the staff?

Mr. MATTHEWS: A departmentally-owned car is provided for the head of the mission. In almost all cases too, there is a utility car—very often a station wagon—which can do light trucking jobs as well as major jobs. These are owned by the department and the operating expenses are paid for. It is very unusual that we pay mileage rates for the use of a personally-owned car. Certainly lots of our officers may have their own cars, but they do not charge us mileage on them.

Mr. HERRIDGE: One more question. I notice on page 17, of the under secretary's statement, the following reference:

...It is estimated that, on December 31, 1958 when the present UNREF program is due to expire, there will still be some 17,600 refugees

in camps, who are not yet settled. This group will include many aged, sick or 'hard core' refugees for whom it is difficult to make permanent arrangements.

Having in mind that we have had that "hard core" of aged and sick and other refugees brought to Canada in the last two years, I could never see why these poor people are allowed to remain in those camps and why we cannot take our percentage of those aged and sick persons.

I think we have a primary responsibility to them, after their being in these camps for so many years. If we refuse them on these grounds, I think it is very unsound.

Mr. LEGER: This is indeed a tragic situation. I would not dare to give an answer to the question as such. It seems to me that the only point I would make is that on the whole the Canadian government has been indeed forthcoming in accepting immigrants and refugees, but we are still left with that "hard core" that is an international responsibility.

Mr. JONES: What discussions have taken place in the United Nations with regard to the relief of these 30,000 refugees?

Mr. LEGER: The High Commissioner is very active in regard to refugees. Indeed, I think he or his representative will be here in a very short period of time to discuss this and related matters. This subject is permanently under discussion.

Mr. DINSDALE: Referring back to the Under Secretary's answer in regard to Arab refugees, I understood him to say that there is still a high degree of resistance on the part of refugees themselves to resettlement. That being so, how many of these Arab refugees have successfully been resettled during the past few years? Is that information available?

Mr. LEGER: I am afraid that my notes have been taken away from me.

Proportionately, the answer to your question is that there is a very low proportion of Arab refugees who have been actually resettled. There were close to 900,000 when the operation started and there are over 900,000 left. I should guess that there might be between 50,000 and 100,000 that have been resettled.

Mr. DINSDALE: Would that number represent volunteers for resettlement, or would they have been resettled under persuasion?

Mr. LEGER: I should think that they would be volunteers.

Mr. DINSDALE: I noticed a comment recently that financial support for these Arab refugees from nations participating in the United Nations is diminishing. I think the contributions now stand at \$7 million and the actual cost is \$15 million. In view of that financial problem, is it possible to say that the United Nations is moving forward vigorously to help persuade these refugees resettle and to help assist these refugees in resettlement, or is it a situation that is more or less stagnant?

Mr. LEGER: Mr. Chairman, this situation is somewhat stagnant. It seems to me that the difficulty, which was explained to us last year by the director general of that agency, Mr. Labouisse, was that countries would be quite willing to participate in schemes of permanent resettlement, and even possibly increase their contributions if the results were resettlement.

What has happened over the years because of certain political factors is that some countries have contributed—Canada is among them—but it has been for relief throughout. The resettlement element is proportionately so small that no progress is made in regard to resettlement.

Mr. DINSDALE: A few years ago there was a resettlement project in Greece. Was that successful, do you know?

Mr. LEGER: I am sorry, I do not recall that. We could find out, but I just have no information available.

Mr. MARTIN (*Essex East*): Very likely you are referring to the work of the International Refugee Organization.

Mr. DINSDALE: There was a resettlement project in regard to Arab refugees in Greece.

Mr. KUCHEREPA: Going back to page 17 of your report, I would like to ask several questions regarding the statement: "This group will include many aged, sick or 'hard core' refugees for whom it is difficult to make permanent arrangements". What does the word "sick" refer to here? Does it refer probably to tuberculosis for the most part?

Mr. LEGER: I should think that the word is used in its Canadian context.

Mr. KUCHEREPA: The phrase "hard core" used in this quotation refers to what group or category?

Mr. LEGER: That I believe would refer to incurable diseases.

Mr. KUCHEREPA: The phrase "hard core" does not refer to political affiliations?

Mr. LEGER: No, not in this context at all.

Mr. KUCHEREPA: On page 3, the last paragraph says "As you probably know, locally-engaged personnel are those employees who are hired by our missions abroad. They are generally nationals of the country in which the mission is located. They may be required to do any number of different tasks, ranging from gardening to consular work." Just what kind of consular work would these employees be called upon to do?

Mr. LEGER: I should think, Mr. Chairman, I might illustrate that by an example.

We may have a British subject in a country such as Mexico who would like to work for us and whose first job might be a telephone operator. Having been in the Canadian mission for two or three years, and knowing what the public—Canadians—in Mexico come for, the Department of External Affairs would decide to use that employee to receive Canadians wishing to obtain visas, for example. There is nothing confidential in that work and, therefore, that person would prepare the documentation to be submitted to the vice-consul or a consul who would naturally be a Canadian.

Mr. KUCHEREPA: Mr. Chairman, it has been suggested to me, specifically relevant to Poland, that there are employees doing consular work who are Polish nationals and who, in effect, affect some decisions which are made by our consulate in that centre.

I am just wondering whether the responsibilities which these nationals of these countries have could influence our decisions in those centres.

Mr. LEGER: I should think, Mr. Chairman, while not being able to answer that question directly, it may be a question of translation. If our consular officer does not know the Polish language, and if someone came in without knowledge of either English or French and asked for some consular work to be done, then a Polish translator might be used. Whether that Polish translator, in the course of the conversation, could influence the Canadian or not, I do not know. I hope not.

If there is any case that is brought to our attention, we would look into it immediately.

Mr. KUCHEREPA: On the whole you feel the responsibilities enjoyed by these nationals in these countries would not, in a marked way, affect the administration of our posts?

Mr. LEGER: I should not think so, Mr. Chairman.

Mr. McGEE: Mr. Chairman, I notice on page 8, the statement concerning the passport office. It says that in the calendar year 1957 the passport office issued 97,804 passports and receipts amounted to \$542,311. It seems to me that we should not make money on the operations of services we provide to the public. It is the intention of the Department of External Affairs to reduce the cost of passports?

Mr. LEGER: I must say, Mr. Chairman, we have not given any thought to that problem as of late. Nor, in my experience, has there been any request from any quarter that such reduction be made. I would doubt that our passports—although it is not a kind of vegetable—are any more expensive than those of any other country. We will look into that situation to see how our passports stand.

As the members of the committee will appreciate, this is the most valuable travel document in the world.

Mr. KUCHEREPA: On page 10, Mr. Chairman, regarding the paragraph at the bottom having to do with the advantages of owning our own chanceries and official residences, I certainly agree that for purposes of conducting business it is satisfactory to have a permanent address in regard to these places. The interesting feature of the report is that we own more residences than we have chanceries. I would think that the natural evolution would be that we would first own the chancery and then look forward to acquiring residences when the situation became suitable, and when we required a more definite type of organization in a given place. Is there any explanation for having more official residences in our possession than chanceries at this time?

Mr. LEGER: I think, Mr. Chairman, that there is no particular reason for it. In tropical countries for example, I should think most of our chanceries are air-conditioned, while very few of our residences are, it is easier to rent an air-conditioned chancery than to build one. However, that is only a partial answer to your question.

Mr. HERRIDGE: Has the department any pictures of these chanceries and residences so that the members could see what the government is getting for its money abroad?

Mr. LEGER: Yes. Mr. Chairman, at the next meeting, if it is the wish of the committee, we could come with a picture gallery.

Mr. RICHARD (*Ottawa East*): I am sorry, Mr. Chairman, to go from one page to another, but we seem to be jumping back and forth. It might be better if we start at page 1 and worked our way through. I am back at page 5 now. I would like to ask the Under-Secretary of State if the size of the staff has increased in recent years. Has this year's staff increased?

Mr. MATTHEWS: The actual establishment has not gone up for the last year. The figures in the estimate book will show an increase and that took place at the time of the supplementary estimates a little over a year ago, so that the number of the authorized positions has not increased during the past year. We have however been able to catch up a little with the backlog, as we have fewer vacant positions than we had before. The total increase of personnel working is up very slightly because we have a lower level of vacant positions.

Mr. RICHARD (*Ottawa East*): I know we have quite a large number of locally-engaged staff; what is the policy of the department in regard to locally-engaged staff? We hear all kinds of stories from time to time. I remember one story about our chauffeurs in Russia and how much they cost a month. What is our policy in regard to this? Is it a good policy to hire

these people in these positions or could we not find Canadians that would occupy these positions ?

Mr. MATTHEWS: There are two real difficulties about sending Canadians to a good many countries. One is that people who would take the type of job as a chauffeur or caretaker—

Mr. RICHARD (*Ottawa East*): Even at that price?

Mr. MATTHEWS: I will come to the price later, but it is difficult to get people who will go there. You cannot get people who know the language and the kind of home life that they could make would be pretty grim. Therefore, it would be a real recruiting problem.

As far as price is concerned, I think in every case it costs us more and in almost all cases a great deal more to send a Canadian. You have not only your salary and the cost of living allowance, but you have a very heavy cost in removal. In regard to the U.S.S.R., to which you were referring, we have a two-year posting. If you send a person into the U.S.S.R. with all their clothing and effects and two years later bring them out, you have incurred a pretty substantial expenditure, so that the additional cost of filling these posts with Canadians, even if we could find them, would be a very, very substantial amount.

Mr. RICHARD (*Ottawa East*): Does the security angle not enter into it?

Mr. MATTHEWS: That is the one point we do insist on. We insist that any person who has access to classified material shall be a Canadian recruited in Canada.

Mr. RICHARD (*Ottawa East*): Can you tell me more about these chauffeurs in Russia?

Mr. LENNARD: There was only one there.

Mr. MATTHEWS: There are more than one there, because it is almost impossible for a Canadian to get a driver's licence there; so our people have to be provided with transportation.

Mr. RICHARD (*Ottawa East*): I thought the rate was pretty high for a chauffeur.

Mr. MATTHEWS: I would be glad at the next meeting to let you know what we pay our chauffeurs there. It is far less than if we had to send a Canadian, taking into consideration all his incidental expenses.

Mr. KUCHEREPA: Is it a fact that chauffeurs now employed by other embassies in Ottawa have to have Ontario drivers' licences?

Mr. MATTHEWS: Yes, I think they would.

Mr. KUCHEREPA: All of them?

Mr. MATTHEWS: We do not look after that, but I think they would all have Ontario licences.

Mr. RICHARD (*Ottawa East*): I would like to ask a further question and direct it to the Under-Secretary. Has the amount given to the corporation of the city of Ottawa in lieu of taxes been substantially increased over the last year for the embassies, or how is it based?

Mr. MATTHEWS: The amount is based upon the taxes that would be paid on that property if it were owned by an ordinary citizen. There was a substantial increase one year ago in that, up until that time it was only the general tax rates that were paid. One year ago we also started for the first time paying the school rates.

Mr. RICHARD (*Ottawa East*): Could you give me the total?

Mr. MATTHEWS: Yes, the amount in this year's estimates, the ones that are now under consideration, is \$137,500. Last year it was \$125,000 and that

results from an increase in the number of properties owned by foreigner governments. In regard to the year before, I have not got all the figures, it would be lower because it did not include school taxes before the 1957-58 year.

Mr. RICHARD (*Ottawa East*): Could I direct this question to the Under-Secretary of State? I am always puzzled a bit by the diplomatic—not humidity—but immunity.

The CHAIRMAN: That is a good word.

Mr. RICHARD (*Ottawa East*): And I wonder to what level it goes and if our people at all the same levels have the same immunity from proceedings in the different countries of the world where we are attending?

Mr. LEGER: The answer is yes, diplomatic immunity is generally recognized throughout the world. There may be differences in interpretation now and then, as the committee knows. Our diplomats in Moscow are only allowed to travel after having obtained permission and it may be that during a trip they make that some inconvenience might be created by the municipal authorities. But generally when, in cases like that, the officer in question can submit his credentials, which really is his diplomatic passport, he has little difficulty, or is released, if such is the case.

Mr. RICHARD (*Ottawa East*): Does the recognition still exist, or was it a regulation at one time, that certain members of the diplomatic corps from Europe could not travel through Canada a further distance than thirty miles from Ottawa without a permit?

Mr. LEGER: That regulation still stands. We did not start that. It was merely because we had so much difficulty in the Soviet Union and the satellite countries that we had to impose travel regulations here also, which were imposed in 1952. They were retaliatory and they were introduced in concert with most of our NATO partners after the Soviet government made substantial additions in 1952 to its list of areas which were prohibited to foreign diplomats.

Originally we required notification from the Soviet Embassy as to any of their members who desire to travel beyond 25 miles from the city limits. In 1953 we extended that to 75 miles.

However, I should like to make a more general observation on this. When our colleagues in Moscow ask in advance to travel to a given region which is not prohibited, they do get the permission of the Soviet authorities. I think one of the differences is that here an ambassador or his secretary can jump in a car, take a train or a plane, and a few hours later land in Vancouver and the government will never know about it; whereas since travel is a government agency in the Soviet Union you cannot even go from Moscow to Leningrad without buying a ticket at a government agency, being on a government-controlled train, and eventually landing at a government-controlled station at the other end.

I do not like to give the impression that the movements of our personnel are too limited in the Soviet Union; it is not true. But there are certain limits, less so than in 1952 or 1953.

Mr. RICHARD (*Ottawa East*): Does it apply to the servants and the other people who are employed by the Russians who are brought over here to work for them?

Mr. LEGER: It applies to all personnel.

Mr. RICHARD (*Ottawa East*): Is there a limit on the number of persons to whom we give diplomatic recognition or immunity in any of our embassies? Can the embassies bring in as many people as they want, for instance 200 or 300, whereas we might have only three or four in that country?

Mr. LEGER: There is a ceiling applied to certain embassies in Ottawa.

Mr. CRESTOHL: Could the Under-secretary tell us whether there have been many requests for asylum in Canada for political refugees?

Mr. LEGER: I cannot give you the answer offhand. We will look into it. May I ask for clarification; is it in respect of people who have actually landed in Canada?

Mr. CRESTOHL: No. In respect of people who have run away, to use simple language, from countries behind the iron curtain and who have sought refuge or asylum in Canada. To illustrate it more clearly, we read a few weeks ago, I think, of some refugees who jumped a boat somewhere north of Scotland, swam ashore, and sought refuge there.

Mr. LEGER: We will look into that.

Mr. DINSDALE: Does the problem of East Germans coming into West Germany still continue and does that constitute a part of the U.N. refugee problem.

Mr. LEGER: Much less so than three or four years ago when it was very intense. I do not have the latest figures, but I do not think we can call it a problem of refugees now. I think it is under control.

Mr. DINSDALE: Does that suggest that the West Germans absorb many of these people who move from East Germany?

Mr. LEGER: Yes.

Mr. DINSDALE: They do not add to the sum total of the refugee population?

Mr. LEGER: No.

Mr. JUNG: Having just returned from there, while I was there I was briefed by the minister of German affairs and I was told that there are still over 7,000 refugees coming in from East Berlin each week. They are received in refugee depots where they are processed and after the processing which takes from four weeks up to three months, they are then cleared and given status as a refugee and the West Berlin government flies them out from Berlin into free Germany and gives them a financial grant which helps them on their way. When they are not given refugee status they stay within the confines of the refugee camp. Out of a total of some twelve million refugees since 1949, there are some 80,000 who are still not cleared. But there is not one case where a refugee has been sent back to East Berlin. These people voluntarily report to the refugee camp and are free to leave at any time.

The CHAIRMAN: That is a very interesting observation.

Mr. JUNG: There is one question which I would like to raise. Are there any provisions for extending, shall we say, pension privileges to any of the employees whom we hire overseas? I am thinking, particularly, of some of the chauffeurs who have given us long service. I was speaking to one in England who has been a chauffeur for fourteen years and another in Denmark who has been a chauffeur for twelve years. While they are appreciative of the high rate of pay which they receive, they would like, by virtue of their long service, to feel that this would be considered even if they have to contribute to it. Has the department ever given any consideration to that?

Mr. LEGER: I will ask Mr. Matthews to answer the second part of your question. To revert to the refugee problem we are glad to have the information which you have given us. The comments which I was making applied to those refugees with whom we are concerned who are referred to on page 16 of this statement, the UN refugees as such, Refugees going into West Germany do not necessarily become UN refugees and are not ones about whom we are concerned.

Mr. JUNG: I appreciate that.

Mr. MATTHEWS: The problem of the pensions for our regularly engaged staff is a problem which we have been trying for many years to solve. It is a very complicated problem because these people are paid at going rates in the country where they are employed in the currency of that country; so that you cannot set up a pension in terms of Canadian dollars and you could not make your contributions at a set rate in Canadian dollars. The value of their income would fluctuate with the exchange rates. In most of the countries there would not be local companies which could handle the pensions. This is a subject which is under study by our department, the Department of Trade and Commerce, and the people in the Department of Finance who are experts in these matters, and no world-wide solution has been made.

Where people have given a long and faithful service and are retired on account of health reasons or because of age, we have been able to obtain individual authority to give some of these persons assistance either in the form of a lump sum payment or in the form of a small annuity. We have worked out pension schemes now for our local employees in the United Kingdom and in the United States and we hope eventually to make this world-wide.

Mr. JUNG: Thank you very much.

Mr. CRESTOHL: Mr. Chairman, may I ask another question? Have we established in Canada in some form a school or university for training our foreign service, like they have in France—a diplomatic school?

Mr. LEGER: Mr. Chairman, the answer is no. The department as such, has no training school. There are certain universities which have faculties and the department naturally has no responsibility there.

The way we try to train our foreign service officers is, that during the first year they are in the department they are not attached to a division as such for that full year. We try to organize their work so that they pass to three or four divisions during that year to get a general view of the sort of work that they will expected to do.

Furthermore, we have special lectures for them, given by some senior members of the staff. We also have French classes that they can follow, if they are not too fluent in French and, lastly, we bring officials of other departments, Trade and Commerce, Finance and the Bank of Canada, who come to spend an hour or two with those juniors to bring them up to date on what goes on in other government departments.

It is an ad hoc way to look at the problem of training; but on the whole, bearing in mind that there is seldom if ever more than 20 new foreign service officers in any given year, we do not think it would be appropriate to set up too elaborate a school of, shall we say, diplomacy.

Mr. KUCHEREPA: You might say they are graduates of the hard school of experience, like politicians.

Mr. LEGER: Yes.

Mr. HERRIDGE: Those who become foreign officers or somewhat senior officials have some sort of academic qualifications?

Mr. LEGER: We require university graduates in all cases.

Mr. JONES: I wonder, Mr. Chairman, whether it would facilitate our control of the various matters with which we have to deal if we could proceed through the report of the under-secretary and complete our discussion on that in a more or less orderly fashion, taking pages and topics in sequence as they are arranged there?

Then, perhaps, we could have a discussion on any other matters of a general nature which arise on the first item of the estimates, and then continue through the estimates and have them dealt with in sequence.

I suggest that, not only for assisting us here during these particular deliberations, but also for the future when we would like to refer back to the record of this committee. It would make it much more simple to find the discussions on these problems if they are dealt with in an orderly sequence.

The CHAIRMAN: I would like to comment on Mr. Jones' suggestion. I think it is a good one. I think the experience of the committee is this, that when the administrative item has been pretty well covered and the questions answered, then when we get down to the details of the estimates they do not take a great deal of time. I was of the opinion that we were just about reaching that point now. However, if it is the wish of the committee that we deal with this statement page by page, I am quite prepared to do so.

Mr. JONES: I think we have covered most of it already.

Mr. KUCHEREPA: I think now we are probably in a position to enter into the main estimates and make referrals, if necessary, back to the points which members of the committee have already read and made comments on.

The CHAIRMAN: Are there then any specific questions arising out of the under-secretary's report?

Mr. DINSDALE: With reference to the Colombo plan, Mr. Chairman, I take it that any assistance to the new commonwealth state of Ghana is outside the terms of reference of the Colombo plan?

The CHAIRMAN: Before the under-secretary answers that question, I would like to draw the attention of the committee to the fact that Colombo plan officials will be, we hope, with us tomorrow, if we proceed far enough along today.

Mr. DINSDALE: I will not be able to be with you in the morning, Mr. Chairman.

Mr. LEGER: I can, Mr. Chairman, try to give a much more unsatisfactory answer than the one that would be filled in tomorrow.

As far as the votes are concerned, the assistance to Ghana and to the West Indies comes under a different vote from the Colombo plan. As far as the discussions leading to mutually satisfactory projects are concerned, those discussions are conducted by the Colombo plan administrators in the Department of Trade and Commerce together with our experts in the Department of External Affairs. So it is the same machinery, but it is a separate vote.

Mr. DINSDALE: So the total assistance available for Ghana would be this small amount—I cannot put my finger on it at the moment—oh yes, \$135,000 for Ghana and the West Indies as compared with \$35 million for the Colombo plan nations?

Mr. LEGER: I am told that the \$135,000 will go to Ghana, close to its entirety, and that the West Indies vote in the supplementary estimate is \$1,475,000 which will be the West Indies assistance program.

Mr. DINSDALE: This is policy, of course. Is there any thought of expanding the Colombo plan scheme to a commonwealth country like Ghana?

Mr. LEGER: Well, Mr. Chairman, the commonwealth scheme is a joint scheme. Canada alone cannot decide to extend the Colombo plan umbrella over the West Indies and Ghana. It would have to consult with the other Colombo plan partners.

As the committee is aware, this is a new venture. Assistance to the West Indies and Ghana is just starting and I presume that the government in due course will see whether the present ad hoc arrangement is satisfactory or whether they would like to use the Colombo plan umbrella over those new developments.

Mr. DINSDALE: This sounds like a matter which could be discussed by a commonwealth conference.

The CHAIRMAN: Gentlemen, I was wondering if I could ask a question of the under-secretary along the lines Mr. Dinsdale has asked; and this is going to be a beginning: I would like to know where this is all leading and where it is going to end.

An hon. MEMBER: The "gimmee" club.

The CHAIRMAN: After all, I think we should keep in mind that we are 17 million people, and if that is so—

Mr. DINSDALE: Are you advocating retrenching now, Mr. Chairman?

The CHAIRMAN: No sir, I just want the committee to be realistic.

Mr. RICHARD (*Ottawa East*): Charity sometimes begins at home.

Mr. DINSDALE: I was not advocating increasing the expenditure; I was just asking if the Colombo plan—

The CHAIRMAN: Are you retrenching now?

Mr. DINSDALE: Not at all, I was just asking if the Colombo plan applied to the West Indies and Ghana, and I think I have received a satisfactory answer.

The CHAIRMAN: Are there any further questions concerning the Under-secretary's statement?

I appreciate very much the cooperation of the committee but we are still dealing with Item 85. Shall Item 85 carry?

Mr. HERRIDGE: Just before it does, Mr. Chairman, I want to make an observation. I was very surprised when one of my colleagues who belongs to a different party from me objected to this department making a profit. I did not quite follow his philosophy. I have found from experience the officials are most courteous. I had to see officials and in every case the amount charged was never thought of as far as I was concerned,—I was so delighted to get the passport and get things fixed up. I was quite delighted in every case. I do hope there is no suggestion of removing this one branch which does make a profit.

The CHAIRMAN: I think we do appreciate the comments of the member.

Mr. KUCHEREPA: On page 3, Mr. Chairman, of the estimates under 85, Section 4, could we have some comment on this problem?

Mr. MATTHEWS: That is the main item, that is the increase in the sub-heading professional and special services. Those include legal fees, press services, tuition and examination fees. We give tuition in foreign languages and we examine our people to see if they are qualified for a language allowance. We also include professional services and we pay the Department of Veterans Affairs for the use of their hollerith machine; and there is a medical scheme for people who are coming back from postings at unhealthy posts.

The main increase is in relation to legal fees which will be payable when the international arbitration tribunal is set up for claims arising from the Gut Dam.

I do not know if members of the committee are familiar with the Gut Dam; it was a dam built across a channel in the St. Lawrence river in the Thousand Islands Section some 60 years ago.

The people on the southern shore of Lake Ontario claimed that this dam having been erected by Canada, and having resulted—as they claimed—in higher water levels than would otherwise have existed, demanded compensation from Canada.

In connection with the probable arbitration of these claims, we shall have to pay legal fees.

Mr. KUCHEREPA: Thank you.

Mr. JONES: With respect to item 85, I wonder if some extension of the remarks that have been made in connection with the inspection service might be given. The inspection unit, I take it, is a group of efficiency experts within the department. What is the size of the staff employed by them? And perhaps the Under secretary could give us a general idea of their operations.

Mr. MATTHEWS: If I may be permitted to answer that question, the inspection service was established just about two years ago. It consists of two officers of the department and one stenographer.

We hope to add to it because it has proved to be a very useful and valuable operation.

Their responsibility to date has been inspecting missions abroad. We hope that all our missions will be covered in three year cycles.

Mr. Hemsley has been in charge of that service and he has covered some 40 odd missions in the last two years.

He examines the operation in all fields at each of these posts. Before going abroad he receives reports from the political division, and from the economic division to see if what is coming in is correct.

He checks on our financial division to see if their accounting procedures are satisfactory. He goes to each division here and examines each phase of activity of the posts abroad. He comes back with a recommendation on whether the office premises are suitable, or whether the staff is adequate or too great; he comes back to let us know about all their problems.

We hope to add to that service and we hope it will be able to take some responsibility for examining the efficiency of operations of the divisions in Ottawa.

Mr. JONES: Further to that: do the efficiency experts maintain liaison with similar units in other departments?

Mr. MATTHEWS: Yes. There is a unit in the Civil Service Commission, in the establishment and organization branch, which does unit surveys of different parts of government departments. We quite frequently ask them to come in—or they may suggest that they come in themselves, if we say that we need more staff. They want to see how we are organized.

There have been many of these unit surveys made over the past few years, of the operations of our department in Ottawa.

Mr. JONES: My point was whether or not there was a continuing liaison between the unit survey group or the unit inspection group within the department itself in order to achieve an overall measure of efficiency.

Mr. MATTHEWS: Up to date our own inspection service has confined its activities almost wholly to the missions abroad.

The Civil Service Commission had never done a survey of our missions abroad. They have been looking at the Ottawa operations. So there has been no overlapping or lack of liaison.

Certainly when our inspection people begin to look at our divisions in Ottawa we will make sure there is proper liaison.

Mr. JONES: You think that there is liaison?

Mr. MATTHEWS: I am sure of it, yes.

Mr. HERRIDGE: Based on items 9 and 10 on page 4, I have a question concerning the publication of department reports and other material, display of films and other national publicity.

Is this work coordinated with the Department of Citizenship and Immigration, and the Department of Trade and Commerce, so that there is no overlapping of publicity work in this respect?

Mr. LEGER: Yes. There is an interdepartmental committee on information on which all departments are represented. A pamphlet like the one referred to in item 95 is discussed in preliminary form at meetings of that

interdepartmental committee, and if any department has any special idea to put across, or any picture to put in, then it is taken into consideration.

Mr. HERRIDGE: Thank you.

The CHAIRMAN: Are there any other questions?

Mr. JUNG: With respect to item 85-5 on page 3, "Courier service—increase \$30,000. This increase is due to the opening of courier service London to Cairo, and the provision of first class, rather than tourist air travel Ottawa-Paris (via London), necessitated by security requirements".

Why does "security requirement" necessitate the provision for first class?

Mr. MATTHEWS: With respect to the courier service, in order to be secure, the courier must be the last man on the plane, having seen all the bags go into the luggage compartment, and he must be the first person off the plane when they open up the luggage compartment. He has to be right there.

We tried one on the tourist flight, but we could not make arrangements with the air line for our people to be the last on or the first off unless they were listed as first class passengers.

There is a certain amount of saving, because a first class passenger is allowed to carry more weight without having to pay for excess baggage. But the main reason was that of security.

Mr. JONES: In that connection, is the luggage required to be carried by such a courier of such a size that it needs to be carried in the luggage compartment?

Mr. MATTHEWS: Frequently there are shipments in regard to NATO matters or things of that kind which are very bulky as baggage—comprising confidential material; and another thing is: there are also kinds of communications supplies which have to go by courier which are very bulky, so that the weight carried is sometimes very large indeed.

Item agreed to.

Supplementary item 542 agreed to.

Item 86 agreed to.

Item No. 87—Representation Abroad—Construction, acquisition or improvement of buildings, works, land, equipment and furnishings, and to the extent that blocked funds are available for these expenditures, to provide for payment from these foreign currencies owned by Canada and provided only for governmental or other limited purposes \$1,412,688

Mr. KUCHEREPA: Do we purchase vehicles in other countries or do we take them over from Canada for use in this service?

Mr. MATTHEWS: Wherever we can get a Canadian vehicle, we do so.

Mr. JUNG: Am I to take it that the permanent delegation to the United States is located in its new quarters?

Mr. MATTHEWS: Yes, it moved in in June.

Mr. JUNG: Members who are going down there this fall will be quartered in the new quarters, will they?

Mr. MATTHEWS: The central office for the delegation will be in the new quarters on Third Avenue.

Mr. JUNG: On Third Avenue, yes.

Mr. RICHARD (Ottawa East): Are there many vacancies open for ambassadors or representatives? I see there are two vacancies here. Are there many posts open?

Mr. LEGER: I think there is one open in Rome; there is one in Mexico; there is one in Denmark. There will be one open in Iran when we advance the team. There will be a few other posts in capitals that I am sure would not be of interest to Mr. Richard in the context in which the question was asked.

Mr. RICHARD (*Ottawa East*): This item does not include consular representatives, does it?

Mr. LEGER: Yes, this vote does include that.

Mr. RICHARD (*Ottawa East*): I notice we have a standing representative here sitting in front of me from San Francisco, Mr. Dolan. I wonder if I could get a fine post like that myself. I suppose there is no vacancy available.

Mr. LEGER: I will have to speak to Mr. Dolan about that.

Mr. VIVIAN: What has been the practical effect of the establishment of trade missions in London by the various provinces in regard to Canada House? Has this saved Canada House anything substantial or do they simply increase the trade? Does the establishment of the provincial houses increase the interest in trade between the United Kingdom and various provinces?

Mr. LEGER: I think, Mr. Chairman, that the decision to open an office is generally a provincial one. Therefore there is no comment I would dare make except to say that I am sure that the cooperation between the provincial offices and Canada House is extremely good. Indeed the provincial offices do help Canada House in its own work.

I was reading a letter from Mr. Drew the other day referring to 80,000 Canadians that he expected would be going through London this year. If those 80,000 people were to go to Canada House it would create a serious problem.

I think that those provincial houses are very helpful for our purposes although I cannot comment in respect of their own purposes.

Mr. VIVIAN: Mr. Chairman, I should like to make the purpose of my question quite clear. I was referring to a matter of money and not a matter of policy in regard to whether or not there had been a savings to Canada House. Your answer gives me the answer to that question.

Item agreed to.

Item No. 543—Representation Abroad—Operational—Further amount required \$170,530

Mr. RICHARD (*Ottawa East*): Does this represent an increase in the representation abroad, Mr. Leger?

Mr. LEGER: Yes.

Mr. RICHARD (*Ottawa East*): Are there any new consular appointments to be made?

Mr. LEGER: There are no new consulates to be opened that I am aware of. Supplementary item agreed to.

Mr. HERRIDGE: I notice there is a decrease of \$31,877 in regard to basic household equipment and furnishings for staff abroad. Has the Department of External Affairs decided to do without some things here?

Mr. MATTHEWS: I think this program has been fairly well completed in places where we have staff premises. There is not as much left to be done this year. We have not closed anything. This represents the equipping of the new ones, and the rate of expansion has slowed down.

Mr. JONES: This item shows decreases mostly.

Mr. MATTHEWS: Yes.

Mr. JONES: Almost every item in 87 shows a decrease. In some cases it is rather a substantial decrease.

Item No. 88—To provide for official hospitality \$40,000

Mr. KUCHEREPA: There is no change in our official hospitality for this year, is there?

Mr. LEGER: No.

Item 88 agreed to.

Item No. 89—To provide for relief and repatriation of distressed Canadian citizens abroad and their dependents and for the reimbursement of the United Kingdom for relief expenditures incurred by its Diplomatic and Consular Posts on Canadian account (part recoverable) \$15,000

Mr. KUCHEREPA: How does the \$15,000 stand at the present time?

Mr. MATTHEWS: You are referring to the \$40,000?

Mr. KUCHEREPA: No, in regard to item 89—to provide for relief and repatriation of distressed Canadian citizens abroad... etc.

Mr. MATTHEWS: In regard to that fund, when we recover money that we have advanced we have to put it back into the fund, so this is a revolving fund.

Mr. KUCHEREPA: I realize that it is a revolving fund, but how does it stand at the present time?

Mr. MATTHEWS: We have never run out yet.

Item No. 89 agreed to.

Item No. 90 agreed to.

Item No. 91—Grant to the United Nations Association in Canada \$11,000

Mr. JONES: In connection with this item has there been any consideration given to the thought of increasing the amount of the grant? As I understand it there is a wide increase in the interest of Canadians in the United Nations Associations.

Mr. LEGER: I am not aware that any thought has been given to increasing that grant, no.

Mr. JONES: Have you received any representations with regard to increasing that grant?

Mr. LEGER: I cannot answer that question off-hand, but I doubt it.

I should like to make a more general comment in this regard.

As members of this committee are aware, the United Nations Association in Canada has, as its primary objective, the dissemination of full and accurate information about the United Nations and special agencies and the encouragement of public interest in this field. We find the association helps us a great deal in the Department of External Affairs in informing the Canadian public on Canadian policy in this field, and accordingly we desire to encourage its efforts.

A new undertaking started in 1955 with the establishment, at the request of UNICEF, of a National United Nations Children's Fund Committee which devotes itself to stimulating public interest in the work of UNICEF.

This committee increased its activities in 1956 and 1957 and is continuing this year. So, on the whole, it is not a large vote, but we in the department find it extremely helpful.

Mr. VIVIAN: Is this money given to the volunteer organization?

Mr. LEGER: Yes, to the U.N. Association.

Mr. VIVIAN: Does this volunteer organization also take on other tasks of this nature in publicizing various international organizations?

Mr. LEGER: There is nothing that would prevent it from doing so.

Mr. VIVIAN: Would there be any figures on the amount of money here represented in terms of the total take of such an organization if it was in existence?

Mr. LEGER: We could look into that for you. We have here a statement of the general fund of the U.N. Association in Canada. Possibly we could table it.

The CHAIRMAN: Is it the wish of the committee that the report of the United Nations Association in Canada be tabled and printed in the report of the committee's proceedings this date?

Agreed.

The CHAIRMAN: I might say that following my visit to the United Nations last session I received requests from school teachers for information regarding that organization. I referred them to the United Nations Canadian organization here in Ottawa. The necessary information and the information that was asked for by the school teachers was forwarded directly to the individuals who were asking for the information.

Item No. 92. Grant to the International Committee of the Red Cross..... \$15,000

Item agreed to.

Item No. 93. Grant to the Canadian Atlantic Co-ordinating Committee \$ 2,500

Mr. VIVIAN: What is this, Mr. Chairman?

The CHAIRMAN: \$2,500.

Mr. LEGER: It is a grant that was given to the newly established committee two years ago. The purpose of this association is to educate and inform the public about NATO, to conduct research into its various activities and purposes and to promote the solidarity of the people of the North Atlantic area.

Mr. VIVIAN: Is it a long statement; is there an annual report?

Mr. MATTHEWS: They have submitted to us a financial statement. We have not the formal printed report, but we have a list of the officers and a statement of what they do.

The CHAIRMAN: Not a financial statement?

Mr. MATTHEWS: There is a financial statement also.

Mr. VIVIAN: Would it be possible to have a copy of this and have it form part of the proceedings?

The CHAIRMAN: Yes. This would give members of the committee a chance to check into it more carefully.

Is it agreed that this be included in the report?

Agreed.

Mr. HERRIDGE: Is the NATO parliamentary association another term for this body?

Mr. MATTHEWS: No.

Item agreed to.

Item No. 94—To authorize and provide for the payment of fellowships and scholarships and travelling expenses to enable Canadians to study overseas, and to the extent that blocked funds are available for these expenditures, to provide for payment from these foreign currencies owned by Canada and provided only for governmental or other limited purposes, and for payment to the Royal Society of Canada of amounts not to exceed \$10,000 in all to meet travelling and other administrative costs incurred by the Society to those it may designate to act on its behalf in selecting persons to receive fellowships and scholarships \$42,700

Mr. KUCHEREPA: Would someone explain why there has been such a great decrease in this item?

Mr. MATTHEWS: In item 94?

Mr. KUCHEREPA: Yes.

Mr. MATTHEWS: Yes. We in previous years had a scholarship program. That has now been taken over by the Canada Council, and what we have in this year's estimates is just for those scholars who have not yet completed their tour of study. This is the last year it will appear.

Mr. JUNG: How does one apply for these things, and where do they apply if they are overseas?

Mr. MATTHEWS: This was for Canadians going abroad.

Mr. JUNG: Where does one apply overseas when he wishes to get a scholarship from the fund, from the Canada Council?

Mr. MATTHEWS: To the Canada Council.

Mr. JUNG: Do they have an office overseas?

Mr. LEGER: Our missions abroad are provided with whatever literature is required.

Item agreed to.

Item No. 95—To provide for the Canadian Government's Assessment for Membership in International (including Commonwealth) Organizations, as detailed in the Estimates, including authority to pay the amounts specified in the currencies of the countries indicated, notwithstanding that the payments may exceed or fall short of the equivalent in Canadian dollars, estimated as of January, 1958, which is \$3,549,055

Mr. RICHARD (*Ottawa East*): How does that compare with the other nations; who is the biggest contributor to it—the United States?

Mr. LEGER: Yes.

Mr. RICHARD (*Ottawa East*): And then—

Mr. LEGER: The United Kingdom. In percentages it goes as follows, from 1957: United States 33.33 per cent, U.S.S.R. 13.96 per cent, United Kingdom 7.81 per cent, France 5.70 per cent, China 5.14 per cent, Canada 3.15 per cent. Now that does not mean that Canada is sixth—I am sorry, we are the seventh largest contributor.

Mr. JONES: The figures you gave indicated that the United States percentage was 33 and the U.S.S.R. is 13.

Mr. LEGER: Yes.

Mr. RICHARD (*Ottawa East*): Are there any countries in arrears of contributions?

Mr. LEGER: I think we would have to try to explain the word "arrears". They have, I think, as long as two years to pay. There are two cases of which I am aware that have arisen over the years. One I think is Bolivia, which has been more than two years in arrears. I would have to check on China—yes, China is in arrears.

Mr. KUCHEREPA: You are specifically referring to the United Nations?

Mr. LEGER: Yes.

Mr. KUCHEREPA: And not to the various organizations to which we are contributing?

Mr. LEGER: No.

Mr. JONES: Can you give us a general basis as to how they arrive at these contributions, the basis for arriving at the assessment.

Mr. MATTHEWS: There is a most complicated formula, but fundamentally it is based on national income with special adjustments downwards in the case of those countries that have a very low per capita income; otherwise a country like India, would be paying a very large sum in proportion to its means.

Mr. HERRIDGE: I would just like to ask one question of the secretary, in regard to this item "International Labour Organization". Due to the fact that some years ago Canada sent as the representatives of the employers and the employees United States citizens, has it been possible since to find qualified Canadian citizens to represent Canada?

Mr. LEGER: I will have to take that question as notice as I am not familiar with the problem.

Mr. JONES: In connection with the contributions, is the disparity in the contributions between the U.S.S.R. and the U.S.A. apt to be a reflection of the relative lack of prosperity in Russia, or, do they merely refuse to pay their share.

Mr. LEGER: We think, over the years, that the U.S.S.R. have not easily agreed to an increase in their quota. I also think if it were put in that way that we might get more cooperation out of them. We might try that one next time.

Item agreed to.

Item No. 96—To provide for the Canadian Government's Contribution to the United Nations Expanded Program for Technical Assistance to Under-Developed Countries in an amount of \$2,000,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of January, 1958, which is \$1,976,875

Mr. CHAIRMAN: Would it be proper for the under-secretary to comment on the success, or lack of success of this endeavour?

Mr. LEGER: I would ask Mr. Grey to comment on that.

Mr. R. GREY (*Economic Division, Department of External Affairs*): Mr. Chairman, in the under-secretary's statement there was a brief reference to the fact that the success of the United Nations program was well recognized. I draw the committee's attention to one event of importance. A number of years ago when it was decided to expand all the programs of technical assistance of the United Nations the decision had to be taken whether Canada and the other countries would contribute to each of the agencies, or would make one contribution. This is the one contribution we make.

Machinery was set up within the United Nations to judge between the various proposals from the different countries and it was thought that by this technique we would ensure efficient control of operations. That is what the United Nations Technical Assistance Board does. It allocates funds to the different agencies on the merits of their programs. That machinery has been remarkably successful, and I would say it has been a very efficient program.

Item agreed to.

Item No. 97—Contribution to the United Nations Children's Fund \$650,000

Mr. KUCHEREPA: What is that money used for?

Mr. LEGER: This fund has now been in operation for several years, and I think it is one of the most successful ventures of the United Nations in what we might term a non-contentious field. It was created in 1947. The fund has been shifting the emphasis on its activities from emergency relief operations, as was the case in 1947, to long-range projects. Assistance is now being given for the following purposes: the building up of the countries' child health and welfare services, or their child feeding and other related undertakings.

At present the fund is conducting operations mainly in underdeveloped countries in Asia, Africa, the Middle East and Latin America. 319 UNICEF aid programs are currently in operation in 102 countries and territories. The countries receiving aid must equal or better the contribution allocated to them.

Members of the committee might be interested in the governmental contribution to the fund. The United States government gave 55 per cent of the total at the maximum of their contribution. The government contribution by years was: 1950, \$3 million, 1951, \$4 million, 1952, \$4 million, 1953, \$4,500,000, 1954, \$5 million, 1955, \$6,500,000, and 1956, \$7,800,000—I am sorry. Our figures are wrong.

Mr. VIVIAN: What is the relationship between this organization and WHO?

Mr. LEGER: I would like to give a considered answer to that question. We will bring it forward at the next meeting.

The CHAIRMAN: Are there any further questions?

Mr. DINSDALE: Could the Under-Secretary indicate how much is raised in Canada under this UNICEF Hallowe'en appeal?

Mr. LEGER: I do not think we have here the amount of the government's contribution.

Mr. DINSDALE: I imagine that will be in the financial statement from the United Nations association.

Mr. LEGER: Yes. But we must have it somewhere and we will bring it forward.

Item agreed to.

Item No. 98—To provide, subject to the approval of the Governor in Council and notwithstanding the Civil Service Act, for special administrative expenses, including payment of remuneration, in connection with the assignment by the Canadian Government of Canadians to the international staff of the North Atlantic Treaty Organization (part recoverable from the North Atlantic Treaty Organization) \$51,109

Mr. MACNAUGHTON: Does that concern the staff in Paris?

Mr. MATTHEWS: This is the Canadian staff supplied for the NATO headquarters at Paris.

Item agreed to.

Item No. 99—To provide for a further contribution by the Canadian Government towards the cost of constructing the North Atlantic Treaty Organization Permanent Headquarters in an amount of 121,600,000 French francs, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of January, 1958, which is \$296,247

Mr. MACNAUGHTON: What does this item mean? Is that the Canadian contribution?

Mr. MATTHEWS: Yes, There is a building being erected in Paris and all the members of NATO contribute their share of the cost. This is our share.

Item No. 100—To provide the International Civil Aviation Organization with office accommodation at less than commercial rates \$214,971

Mr. MACNAUGHTON: Do I take it that this refers to the assistance which is given to the ICAO headquarters at Montreal?

Mr. LEGER: Yes.

Mr. MACNAUGHTON: Have their difficulties been more or less settled? Have they decided to remain in Montreal?

Mr. MATTHEWS: They expressed satisfaction with the arrangements which have been made.

Item agreed to.

Item No. 101—To provide for a payment to the International Civil Aviation Organization in part reimbursement of compensation paid to its Canadian Employees for Quebec income tax for the 1957 taxation year \$7,500

Mr. MACNAUGHTON: What does this item mean?

Mr. MATTHEWS: This is one of the problems which we had in connection with the employees there who were not granted exemption from the Quebec income tax. The organization felt that they had to reimburse them for it and we in turn reimburse the organization.

Item agreed to.

The CHAIRMAN: Item 102 deals with the International Joint Commission. We will have the representatives of that commission before us at a later date.

Item No. 105—To provide for the Canadian Government's Assessment for Membership in the Inter-Governmental Committee for European Migration in an amount of \$261,238 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of January, 1958, which is \$258,218

Mr. KUCHEREPA: What is this?

Mr. LEGER: This committee came into being in 1951 to assist the movement to new homes overseas of migrants and those refugees who can meet immigration requirements. The budget for ICEM is made up as follows: the administrative budget financed by assessment of member states; a separate fund financed by reimbursements from governments for services rendered to them by the program.

Mr. KUCHEREPA: Would you give us an example of what you mean by overseas movements? From where to where?

Mr. LEGER: I think that ICEM has handled almost the whole movement to Canada of the Hungarian refugees. This is perhaps the best Canadian example which I could give you. They have facilitated the movement of ships and air transport. Really during that crisis they have been most helpful in providing transportation for those refugees to Canada.

Mr. HERRIDGE: Is this in addition to votes put through the Department of Citizenship and Immigration for the migration of Hungarian refugees to Canada?

Mr. LEGER: Yes; but it does not apply only to the movement of Hungarian refugees.

Item agreed to.

Item No. 106—To provide for a grant by the Canadian Government to the United Nations Refugee Fund \$200,000

Mr. MACNAUGHTON: Would this cover the Gaza strip situation, or does that come in later?

Mr. LEGER: It is a different grant.

The CHAIRMAN: We discussed it earlier.

Item agreed to.

Item No. 107—Canadian participation in the work of the European Productivity Agency of the Organization for European Economic Co-operation \$20,000

Mr. KUCHEREPA: Could we have a report on this?

Mr. LEGER: The European productivity agency is a subsidiary of OEEC. As such it prepares, coordinates, and disseminates information on technical education and methods, with a view to improving and making more efficient the industrial practices within member countries. Canada did not play an active role in the agency at the time it was established in 1953, but has recently taken a somewhat greater interest in the EPA work, due to Canada's increased interest in U.N. commercial and economic affairs and agencies.

In respect of the program for the forthcoming fiscal year, it is expected that Canada's participation will be to provide experts who may be required by other countries. It may also assist in establishing certain industrial projects and obtaining statistical data for use by Canadian industry.

Item agreed to.

Item 108 agreed to.

The CHAIRMAN: Now, gentlemen, I will ask you to turn to the supplementary estimates.

Item No. 546—To provide for the purchase of flour to be given to the United Nations Relief and Works Agency for Palestine Refugees in the Near East \$1,500,000

Mr. MACNAUGHTON: Is that the item I referred to, Mr. Chairman? Have we discussed that?

The CHAIRMAN: No.

Mr. MACNAUGHTON: This is a contribution to the refugees in Palestine?

The CHAIRMAN: Only in flour. This is only the flour item.

Mr. MACNAUGHTON: \$500,000?

The CHAIRMAN: \$1,500,000. Does the item carry?
Item agreed to.

Item No. 109—To provide for the cost of Canada's civilian participation as a member of the International Commissions for Supervision and Control in Indo-China including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salary rates of Commissioners, Secretaries and staff by the Governor in Council \$389,489

Mr. VIVIAN: Is this likely to be a reducing commitment?

Mr. LEGER: Yes.

The CHAIRMAN: Does the item carry?
Item agreed to.

Item No. 110—To provide for Technical Assistance to The West Indies and to Ghana \$135,000

Mr. DRYSDALE: Mr. Chairman, on this item, perhaps I should have asked the question under 104, but I presume that Canada has a fairly large number of technicians and experts of various kinds working abroad. Is there any figure as to the number of Canadians involved in this type of work?

Mr. LEGER: Yes indeed, Mr. Chairman, we can get it. It may take a little time because they do not all work for the same agencies, but we can get that information for you.

Mr. DINSDALE: Fine.

The CHAIRMAN: Now then, Item 110 in the regular estimates on page 20 is the one we are dealing with and I ask you now to turn to page 3 of the supplementary estimates, item 549.

Item No. 549—West Indies Assistance Program \$1,475,000

Mr. JONES: Has it been recorded that we carried 110?

The CHAIRMAN: I think the Under-secretary will give us a few words of explanation on this item.

Mr. JONES: Is it recorded that we carried 110 and we are now going on to this?

The CHAIRMAN: No, I did not ask for 110 to carry because these two items are related and I thought we would then carry them both, after there had been a discussion.

Mr. GREY: Mr. Chairman, perhaps if I could explain the relationship between these two items. Some time ago it was announced in the house that we were instituting an interim program for the West Indies and Ghana. Subsequently it was decided to set up a more substantial program for the West Indies. Therefore, the sum of \$135,000 is available entirely for the provision of technical assistance under the program for Ghana. Details of the West Indies program are set out in the supplementary estimates.

The beginning of the capital assistance program, as the government has announced, the first item of this will be the provision of a ship for inter-island service and a more substantial program.

Mr. VIVIAN: May I have that repeated, this provision of a ship?

Mr. GREY: I think some months ago, Mr. Chairman, the Prime Minister announced about the time of the West Indies independence celebration that the first major item of the Canadian assistance program for the West Indies would be a ship. I think it was stated at that time our approximate figure of the cost of the ship would be in the order of \$2½ million. The figure in the estimates is accordingly to make available funds, as are required for contracts for this ship when the contract is made.

I might explain, Mr. Chairman, by saying that the Canadian experts who have just visited the West Indies or a preliminary round of technical consultations have just come back to Canada and their report is just being considered.

The CHAIRMAN: Any further questions on this item? Do items 110 and 549 of the supplementaries carry?

Items agreed to.

Item No. 111—To provide for the purchase of wheat and flour to be given to India, Pakistan and Ceylon to relieve food shortages \$10,000,000

Mr. MACNAUGHTON: Mr. Chairman, when was the original amount of \$15 million agreed upon?

Mr. GREY: It was announced in the house on January 14th this year.

Mr. MACNAUGHTON: It is a new provision this year?

Mr. GREY: No, this is the balance of money that was not spent in the last fiscal year, which was required to implement the \$15 million program this year. Shipments are still going on. It was not possible for the wheat physically to leave Canada during the last year.

The CHAIRMAN: Does item 111 carry?

Mr. KUCHEREPA: Mr. Chairman, would you explain the last statement "appropriations not required for 1958-59"? What does that constitute?

Mr. HERRIDGE: I think, Mr. Chairman, when we have got this information, you have lost enough weight for this afternoon.

Mr. MACNAUGHTON: Does it not appear on page 13 of this memorandum?

Mr. MATTHEWS: Oh yes. Yes, you are quite right, Mr. Macnaughton. There was an appropriation last year for the flour to be given to the agency in Palestine. That was not included in the main estimates this year, because we thought we could spend it last year; but as we were unable to procure the flour in time it appears again on the supplementary estimates. That is the \$1,500,000. The balance of it, \$909,000 is the amount that was included in last year's supplementaries as the Canadian contribution towards the expenses of the UNEF.

We have not yet had any indication as to what may be required for the coming year. This will carry up the expense to the end of 1958. We probably will have a supplementary at the end of this year for any contribution we can make for the 1959 expense of UNEF, if UNEF is still going on at that time.

The CHAIRMAN: Shall the item carry?

Item agreed to.

Item 545 agreed to.

Item No. 547—To provide for a contribution to the 1958 Fellowship Fund of the International Atomic Energy Agency \$25,000

Mr. KUCHEREPA: Could we have some explanation of this item?

Mr. LEGER: Mr. Chairman, the international atomic energy agency was set up last year, and the board of governors have announced their intention of establishing a fellowship fund of \$250,000 to encourage peaceful atomic development, the fund to be financed through voluntary contributions from member governments.

It is planned that these fellowships will go into operation immediately for further studies during the present academic year. In order that this objective may be met it is desirable a contribution should be made to the fund as soon as possible.

The United States has offered up to \$125,000 on a matching basis, and the United Kingdom, \$25,000 outright.

We are not aware of the answers to be given by the other countries although some have made known their intention to contribute.

It was thought that if Canada was to contribute on a scale commensurate with her present status and initial role, that a contribution matching that of the United Kingdom would be appropriate.

This is an entirely new vote.

Mr. KUCHEREPA: How are the selections made for these fellowships?

Mr. LEGER: I think that the selections will be made by the board of governors of the agency.

Mr. KUCHEREPA: Are we represented on that board?

Mr. LEGER: Yes indeed.

The CHAIRMAN: How many representatives do we have?

Mr. LEGER: Our representative is Mr. Werschof.

Mr. MATTHEWS: He is a delegate to the atomic energy agency.

Mr. LEGER: He wears two hats. For this purpose he is a delegate to the International Atomic Energy Agency, but he is permanently stationed in Geneva.

Mr. MATTHEWS: He is our delegate to the European office of the United Nations.

Mr. VIVIAN: What are his qualifications in the field of nuclear physics?

Mr. LEGER: Mr. Werschof is a member of the Department of External Affairs. As the committee is aware, this agency has been set up in Vienna. We have on the staff of our embassy in Vienna an expert who is very well versed in these matters and who attends all the meetings, and provides assistance to Mr. Werschof.

Mr. HERRIDGE: He is a Canadian citizen as well, I take it?

Mr. LEGER: Yes indeed.

The CHAIRMAN: Item agreed to.

Supplementary item 548 agreed to.

Item 502 on page 89 of the estimates.

Item No. 502—External Affairs. To authorize, for the purpose of supplementing Economic Assistance given under the Colombo Plan, Special Loans to Colombo Plan Countries to finance the purchase of wheat and flour from Canada, subject to such terms and conditions and at such rates of interest as the Governor in Council prescribes \$10,000,000

Mr. RICHARD (*Ottawa East*): Are we going to have people appear before us to speak on the Colombo Plan?

The CHAIRMAN: Yes.

Mr. RICHARD (*Ottawa East*): Would it not be a good idea to take these items together for that purpose?

The CHAIRMAN: I owe an explanation to the committee. I shall complete the reading of the item—"to finance the purchase of wheat and flour from Canada, subject to such terms and conditions and at such rates of interest as the governor in council prescribes".

This, I am told, is not exactly relevant to the testimony we will receive to-morrow regarding the Colombo plan so I shall ask Mr. Grey to explain to the committee the ramifications of this vote.

Mr. GREY: I think the reason for considering this item separately is that the Colombo Plan Administration is not involved in the procurement or arrangements on this particular project.

A major loan was made to India last year in the amount of \$25 million, and that government undertook the procurement. The only transaction taking place is a financial transaction between Canada and India.

Under the program initially announced, the Indian government has agreed to take up \$25 million; last week the Secretary of State for External Affairs announced that Ceylon had agreed to a loan of \$2 million.

These are really entirely financial transactions to supplement the Colombo plan vote.

Mr. RICHARD (*Ottawa East*): We shall be able to refer to them when the people are discussing the Colombo plan?

The CHAIRMAN: Exactly.

Mr. MACNAUGHTON: Is this to validate arrangements which have been completed, or will there be further or future projects?

Mr. GREY: In effect this item provides that there shall be a \$10 million loan or line of credit available, out of a total sum available for these countries; and out of this \$10 million, Ceylon has undertaken to take up \$2 million. In fact, there is still \$8 million available for purchases of wheat and flour by Colombo plan countries.

The CHAIRMAN: Item agreed to.

Now, look at the supplementary estimates on page 14, item 655.

Item agreed to.

The CHAIRMAN: Gentlemen, before we adjourn I have one or two announcements I should like to make.

I would appreciate it if each member of the committee would send me a note or memo regarding the activities of this committee and the information presented to us. I should like to have your opinions so that when we prepare the report to the house it will include the ideas of the various members,—not necessarily in the whole, but at least in part. There may be many suggestions which are duplicates, but I think it would help us in the compilation of our report. We would be able to note some of the highlights, as suggested by the members, of this committee's meetings as well as some of the outstanding contributions which have been made by the civil servants who have appeared before us.

Tomorrow we plan to meet at 10.00 a.m. and at 3.30 p.m. At the time we will consider the item relating to the Colombo Plan. We intend to have as our witness Mr. Rosenthal, the acting administrator of this program.

Mr. RICHARD (*Ottawa East*): Is it intended that we should consider the International Joint Commission?

The CHAIRMAN: We will consider that later, yes.

Mr. JONES: We still have to consider items 102, 103 and 104, is that correct?

The CHAIRMAN: Yes, plus one supplementary item.

Information material prepared for Members of the 1958 Standing Committee on External Affairs.

This material is in two main parts, viz., comparison of the 1958-59 Estimates with those of 1957-58 with explanations of all substantial changes, and a series of Appendices comparing the 1958-59 Estimates the estimated expenditures of 1957-58 and the actual expenditures of 1956-57.

MAIN ESTIMATES 1958-59 COMPARED WITH 1957-58

No. of Vote	Service	1958-59 \$	1957-58 \$	Increase \$	Decrease \$	No. of Vote
Totals.....		69,503,173	65,876,702	3,626,471		
(S) Minister's Salary and Motor Car Allowance..		17,000	17,000			(S)

MAIN ESTIMATES 1958-59 COMPARED WITH 1957-58—*Con.*

No. of Vote	Service	1958-59 \$	1957-58 \$	Increase \$	Decrease \$	No. of Vote
A—DEPARTMENT AND MISSIONS ABROAD						
85	Departmental Admin. (incl. former Passport Office Admin.).....	5,533,081	5,228,750	304,331		85
86	Representation Abroad—Operational.....	8,576,875	8,338,253	238,622		86
87	Representation Abroad—Capital.....	1,414,688	1,805,275		392,587	87
88	Official Hospitality.....	40,000	40,000			88
89	Relief and Repat. of Distressed Canadians..	15,000	15,000			89
90	Representation at International Conferences	243,000	249,000		6,000	90
91	Grant to U.N. Assoc. in Canada.....	11,000	11,000			91
92	Grant to Int. Red Cross.....	15,000	15,000			92
93	Grant to Can. Atl. Co-ord. Committee.....	2,500	2,500			93
94	Fellowships and Scholarships.....	42,700	120,000		77,300	94
A—Sub-total.....		15,891,844	15,824,778	67,966		
A—Total Department and Missions Abroad		15,908,844	15,841,778	67,066		
B—GENERAL						
95	Assessment in Int. Organizations.....	3,549,055	3,303,102	245,953		95
96	U.N. Exp. Prog. for Tech. Assist.....	1,976,875	1,927,500	49,375		96
97	U.N. Children's Fund.....	650,000	650,000			97
B—Sub-total.....		6,175,930	5,880,602	295,328		
98	NATO Staff Assignment.....	51,109	44,338	6,771		98
99	NATO Headquarters Bldg.....	286,247	167,444	118,803		99
B—Sub-total.....		337,356	211,782	125,574		
100	ICAO Rental Assistance.....	214,971	208,035	6,936		100
101	ICAO Income Tax assist.....	7,500	7,500			101
B—Sub-total.....		222,471	215,535	6,936		
Annuity to Mrs. H. Y. Roy.....		1,667	1,667			
B—Sub-total.....		1,667	1,667			
102	I.J.C. Salaries and Expenses.....	109,248	106,563	2,685		102
103	I.J.C. Studies and Surveys.....	244,950	194,106	50,844		103
B—Sub-total.....		354,198	300,669	53,529		
104	Colombo Plan.....	35,000,000	34,400,000	600,000		104
105	Assessment for Membership in I.C.E.M.....	258,218	203,155	55,063		105
106	Grant to U.N. Refugee Fund.....	200,000	200,000			106
107	Canadian Participation—European Productivity Agency—O.E.E.C.....	20,000	20,000			107
108	Grant to UNRWA Near East.....	500,000	750,000		250,000	108
109	International Commissions Indo-China.....	389,489	426,930		37,441	109
110	Tech. Assist. to the West Indies and Ghana.	135,000	15,000	120,000		110
111	Wheat and Flour for India, Pakistan and Ceylon.....	10,000,000	5,000,000	5,000,000		111
Appropriations not required for 1958-59.....			2,409,584		2,409,584	
B—Sub-total.....		46,502,707	43,424,669	3,078,038		
B—TOTAL, GENERAL.....		53,594,329	50,034,924	3,559,405		
SUMMARY						
To be voted.....		69,484,506	65,858,035	3,626,471		
Authorized by Statute.....		18,667	18,667			
TOTAL ESTIMATES.....		69,503,173	65,876,702	3,626,471		

REFERENCES

85—DEPARTMENTAL ADMINISTRATION—INCREASE \$304,331

	Increase \$	Decrease \$
(1) Salaries	74,908	—
(4) Professional and Special Services	4,880	—
(5) Courier Service	30,000	—
(5) Removal and Home Leave Expenses ..	—	—
(5) Other Travelling Expenses	5,000	—
(6) Freight, Express and Cartage	—	2,000
(7) Postage	—	—
(8) Carriage of Diplomatic Mail	—	25,000
(8) Telephones, Telegrams and Other Communication Services	181,453	—
(9) Publication of Departmental Reports and Other Material	27,000	—
(10) Displays, Films and Other Information Publicity	9,000	—
(11) Microfilming, Supplies and Equipment	1,800	—
(11) Office Stationery, Supplies and Equipment	—	5,875
(12) Purchase of Publications for Distribution	1,000	—
(12) Materials and Supplies	750	—
(16) Acquisition of Equipment	—	23,810
(17) Repairs and Upkeep of Equipment ..	3,000	—
(19) Taxes on Diplomatic Properties in Ottawa Area	12,500	—
(22) Compensation to Employees for Loss of Effects	—	—
(22) Sundries	9,725	—
Total Increase	304,331	—

85—(1) Salaries—Increase \$74,908

This increase arises mainly from the last salaries revision and a reclassification of positions.

85—(4) Professional and Special Services—Increase \$4,880

This increase results from added requirements for Legal Fees in connection with the proposed International Arbitration Tribunal to hear and dispose of the Gut Dam claims.

85—(5) Courier Service—Increase \$30,000

This increase is due to the opening of Courier Service London to Cairo and the provision of First Class rather than Tourist Air Travel Ottawa-Paris (via London), necessitated by security requirements.

85—(5) Other Travelling Expenses—Increase \$5,000

This increase is to cover the additional travel requirements anticipated for this year.

85—(6) Freight, Express and Cartage—Decrease \$2,000

This decrease results from a re-estimation of the amount required to bring it into line with the current rates of costs.

85—(8) Carriage of Diplomatic Mail—Decrease \$25,000

This decrease is accounted for by the proposed introduction of the Ottawa-Paris (via London) courier service.

85—(8) Telephones, Telegrams and Other Communication Services—Increase \$181,453

This increase is due mainly to an augmentation of the Grant to the National Research Council and increased rental of teletype circuits and equipment.

85—(9) Publication of Departmental Reports and Other Material—Increase \$27,000

This increase arises mainly from provision being made for the publication "Canada in Pictures", a 24 page pamphlet in five language editions designed to meet the greater mass of general enquiries about Canada.

85—(10) Displays of Films and Other Informational Publicity—Increase \$9,000

This increase is to cover an expanded programme of special showings of Canadian films in the United States, Commonwealth countries and South America.

85—(11) Microfilming Supplies and Equipment—Increase \$1,800

This increase is a result of a carry forward of the task of microfilming the 1956 files. This project could not be completed last fiscal year.

85—(11) Office Stationery, Supplies and Equipment—Decrease \$5,875

This decrease is to bring the amount required in line with past expenditure and anticipated costs for this year.

85—(12) Purchase of Publications for Distribution—Increase \$1,000

In addition to the distribution of Canada 1958 in the French and English editions it is planned to produce a German edition. Accordingly, the increase in this item covers part of the cost of this project.

85—(12) Materials and Supplies—Increase \$750

This small increase is to cover power and hand tools to improve the tooling of the communications workshops.

85—(16) Acquisition of Equipment—Decrease \$23,810

The decrease results from a lowered requirement for communications equipment.

85—(17) Repairs and Upkeep of Equipment—Increase \$3,000

This increase arises from the requirement of additional spare parts for cypher equipment.

85—(19) Taxes on Diplomatic Properties in the Ottawa Area—Increase \$12,500

This amount is based on estimates received from the Director of Municipal Grants, Public Works Division, Department of Finance. This expenditures was underestimated by approximately this amount last year.

85—(22) Sundries—Increase \$9,725

This item was underestimated last year by approximately \$9,800.

86—REPRESENTATION ABROAD—OPERATIONAL—INCREASE \$238,622

	Increase	Decrease
	\$	\$
(1) Salaries	186,185	—
(1) Overtime	28,900	—
(2) Allowances	4,326	—
(4) Professional and Special Services	29,660	—
(5) Travelling Expenses	4,670	—

STANDING COMMITTEE

	Increase	Decrease
	\$	\$
(6) Freight, Express and Cartage	4,445	—
(7) Postage	13,335	—
(8) Telephones, Telegrams and Other Communication Services	22,876	—
(11) Office Stationery, Supplies and Repairs to Office Equipment	9,460	—
(12) Fuel for Heating and Other Materials and Supplies	26,361	—
(14) Repairs and Upkeep of Buildings and Works	—	98,700
(15) Rentals of Land, Buildings and Works	25,708	—
(17) Repairs and Upkeep of Equipment ...	—	5,655
(18) Rental of Equipment	4,685	—
(19) Municipal and Public Utility Services	—	16,540
(21) Benefits in Consideration of Personal Services	—	3,204
(22) Sundries	2,110	—
Total Increase	238,622	

86—(1) Salaries—Increase \$186,185

This increase arises mainly from the enlargement of the establishment by 42 positions and from the last general salaries revision.

86—(1) Overtime—Increase \$28,900

This amount in previous years was included in the item for salaries.

86—(2) Allowances—Increase \$4,326

This increase results principally from increased expenditures on rental allowances and board and subsistence allowances.

86—(4) Professional and Special Services—Increase \$29,660

This increase is to cover the cost of fees to local governmental agencies in connection with acquiring additional staff accommodation in Moscow and Warsaw and removal costs of the Permanent Delegation and Consulate, New York to new quarters.

86—(5) Travelling Expenses—Increase \$4,670

The opening of additional posts and a consular conference in Washington mainly account for this increase.

86—(6) Freight, Express and Cartage—Increase \$4,445

This additional anticipated expenditure arises from greater volume of traffic caused by opening of new posts.

86—(7) Postage—Increase \$13,335

This increase is mainly the result of increased postal rates in various countries and a rise in the volume of mail being despatched.

86—(8) Telephones, Telegrams and Other Communication Services—Increase \$22,876

This increase is to cover the rental of equipment for the installation of telex in Paris, France and Tokyo, Japan.

86—(11) Office Stationery, Supplies and Repairs to Office Equipment—Increase \$9,460

The increase here results mainly from the additional amount required for servicing three new posts.

86—(12) Fuel for Heating and Other Materials and Supplies—Increase \$26,361
The expansion in the amount of accommodation abroad, augmented motor vehicle fuel requirements, and the stocking of new posts account largely for this increase.

86—(14) Repairs and Upkeep of Buildings and Works—Decrease \$98,700

An amount of \$103,000 was included in the 1957-58 estimates for installation costs at Canada House, New York. The cost of this project is not included in this estimate which accounts for the decrease. Provision for this work has been made in the Supplementary Estimates.

86—(15) Rentals of Land, Buildings and Works—Increase \$25,708

The increase is due mainly to the opening of new posts and the increase in rentals at some other posts.

86—(17) Repairs and Upkeep of Equipment—Decrease \$5,655

The decrease results from a modified re-furnishing programme as compared with the previous year.

86—(18) Rental of Equipment—Increase \$4,685

This item was underestimated for 1957-58. There is no increase in operations over the previous fiscal year in respect of this item.

86—(19) Municipal and Public Utility Services—Decrease \$16,540

This decrease is mainly the result of decreased dollar payments in Moscow, Warsaw and Prague arising from a devaluation of the rouble, zloty and kroner.

86—(21) Benefits in Consideration of Personal Services—Decrease \$3,204

This estimate is based on employment benefits in accordance with the local legislation in various countries. It is, therefore, difficult to estimate this expenditure from year to year.

86—(22) Sundries—Increase \$2,110

The increase volume of Departmental business, caused by the opening of new posts, accounts for the increase.

87—REPRESENTATION ABROAD—CAPITAL—DECREASE \$392,587

	Increase \$	Decrease \$
(11) Office Furnishings and Equipment ...	—	96,148
(13) Acquisition, Construction and Improvement of Properties for Office and Residences Abroad, including land	—	232,325
(16) Acquisition of Teletype Equipment ..	1,983	—
(16) Furniture and Furnishings for Residences Abroad	—	60,245
(16) Procurement of Motor Vehicles and Other Equipment	26,025	—
(16) Basic Household Equipment and Furnishings for Staff Abroad	—	31,877
Total Decrease		392,587

87—(11) Office Furnishings and Equipment—Decrease \$96,148

The heavier expenditures necessary during the fiscal years 1956-57 and 1957-58 have resulted in a levelling off of requirements for 1958-59.

87—(13) Acquisition, Construction and Improvement of Properties for Offices and Residences Abroad including Land—Decrease \$232,325

This decrease is caused mainly by a reduction in the programme for acquisition of properties.

87—(16) Acquisition of Teletype Equipment—Increase \$1,983

This increase arises from the necessity of improving the standard of communications installations in London, Paris, The Hague, Brussels and Rome.

87—(16) Acquisition of Furniture and Furnishings for Residences Abroad—Decrease \$60,245

A curtailment in furnishings programme has resulted in this decrease.

87—(16) Procurement of Motor Vehicles and Other Equipment—Increase \$26,025

An increase of 13 motor vehicles, as compared with the replacement programme last year, accounts for the additional anticipated expenditure.

87—(16) Basic Household Equipment and Furnishings for Staff Abroad—Decrease \$31,877

Curtailment in the programme of equipping and furnishing staff premises has resulted in a decrease over last year's operations.

90—REPRESENTATION AT INTERNATIONAL CONFERENCES—DECREASE \$6,000

	Increase \$	Decrease \$
(4) Professional and Special Services	—	1,000
(5) Travelling Expenses	—	—
(8) Telephones and Telegrams	—	200
(15) Rentals	—	4,250
(22) Entertainment	—	1,450
(22) Sundries	900	—
Total Decrease		6,000

90—(4) Professional and Special Services—Decrease \$1,000

An amount of \$1,000 was provided in last year's estimates to cover payment to Professor Curtis while he was a member of the Canadian Delegation to the International Conference on the Law of the Sea. No expenditures are anticipated under this object for 1958-59.

90—(8) Telephones and Telegrams—Decrease \$200

This decrease is based on last year's expenditure and anticipated costs for this year.

90—(15) Rentals—Decrease \$4,250

This decrease is the result of the move of the Permanent Mission of Canada to the United Nations, New York to new quarters. Office space will be allotted to the Delegation to the General Assembly reducing the need for hotel space required for this purpose in past years.

90—(22) Entertainment—Decrease \$1,450

This decrease is based on last year's expenditure and anticipated costs for this year.

90—(22) Sundries—Increase \$900

This item was underestimated last year by approximately \$900.

94—FELLOWSHIPS AND SCHOLARSHIPS—DECREASE \$77,300

	Increase \$	Decrease \$
(4) Payment to Royal Society of Canada for Services	—	10,000
(20) Fellowships and Scholarships	—	67,300
Total Decrease		77,300

94—(4) Payments to Royal Society of Canada for Services—Decrease \$10,000
Nothing was provided in the 1958-59 Estimates, as it was expected that the Canada Council would assume obligation for this payment.

94—(20) Fellowships and Scholarships—Decrease \$67,300

The decrease here is due to the smaller number of fellows and scholars to be financed in 1958-59 than in 1957-58 under the Canadian Government Overseas Awards Programme.

95—ASSESSMENT FOR MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS—INCREASE \$245,953

	Increase \$	Decrease \$
United Nations Organization	184,924	—
Food And Agricultural Organization	15,196	—
International Labour Organization	6,329	—
U.N.E.S.C.O.	—	18,031
International Civil Aviation Organization	—	3,695
World Health Organization	9,453	—
International Atomic Energy Agency	—	—
Commonwealth Economic Committee	1,047	—
Commonwealth Shipping Committee	32	—
General Agreement on Tariffs and Trade	—	2,001
North Atlantic Treaty Organization (Cost of Civil Administration)	52,699	—
Total Increase	245,953	—

United Nations Organization—Increase \$184,924

The increase here arises from a larger U.N. budgetary programme calling for increased contributions.

Food and Agriculture Organization—Increase \$15,196

The increase here may be explained by increases in salaries of the Organization and the expansion of its existing activities.

International Labour Organization—Increase \$6,329

An increase in the I.L.O.'s budgetary programme has required an augmentation of Canada's contribution.

U.N.E.S.C.O. —Decrease \$18,031

Canada's contribution for 1958 has decreased because of a lower Canadian assessment rate and from the share of a refund of a budgetary surplus.

International Civil Aviation Organization—Decrease \$3,695

The reduction here arises from Canada's share in a sum of approximately \$43,000 credited to contracting states in respect of operations in the year 1956.

World Health Organization—Increase \$9,453

The increase here arises from increased staff costs plus an expansion of WHO's technical services and field activities.

Commonwealth Economic Committee—Increase \$1,047

The increase in the amount is caused by an unfavourable change in the rate of exchange for Sterling.

Commonwealth Shipping Committee—Increase \$32

The increase is due to an unfavourable change in the rate of exchange for Sterling.

General Agreement on Tariffs and Trade—Decrease \$2,001

The decrease here is due to a lower budgetary contribution for the fiscal year 1959.

North Atlantic Treaty Organization—Increase \$52,699

The increase here arises from the past expenditure trends of the NATO Secretariat and the current and capital expenditures required for the operation of the NATO Civil Headquarters during the Canadian fiscal year 1958-59.

96—U.N. EXPANDED PROGRAMME FOR TECHNICAL ASSISTANCE TO UNDER-DEVELOPPED COUNTRIES—INCREASE \$49,375

The increase here is due to a normal increase in operating costs of the organization.

98—N.A.T.O. STAFF ASSIGNMENT—INCREASE \$6,771

The increase is caused by the addition of one assignee during the fiscal year 1958-59.

99—N.A.T.O. HEADQUARTERS BUILDING—INCREASE \$118,803

The increase here arises from a revision in the estimated cost of construction of these Headquarters.

100—I.C.A.O. RENTAL ASSISTANCE—INCREASE \$6,936

This increase is to cover additional space acquired by I.C.A.O. on the fifth floor of the International Aviation Building.

102—I.J.C.—SALARIES AND EXPENSES—INCREASE \$2,685

	Increase \$	Decrease \$
(1) Salaries	3,285	—
(4) Reporters' Fees	—	200
(5) Travelling Expenses	—	—
(7) Postage	—	50
(8) Telephones and Telegrams	50	—
(10) Advertising of Public Hearings	—	300
(11) Office Stationery, Supplies and Equipment	—	—
(22) Sundries	—	100
Total Increase	2,685	

102—(1) Salaries—Increase \$3,285

The increase in this primary is due to yearly salary increments and to the general salaries revision of May 1, 1957.

103—I.J.C.—STUDIES, SURVEYS AND INVESTIGATIONS—INCREASE \$50,844

	Increase \$	Decrease \$
Canada's share of an Investigation on the matter of air pollution in the vicinity of Detroit-Windsor	—	2,406
Studies and Surveys of the Mid-Western Watershed	—	—
Canada's share of the expenses of the Lake Ontario Water Levels Reference	—	10,000
Canada's share of the expenses of the International St. Lawrence River Board of Control	—	—
Canada's share of the expenses of the St. John River Reference	—	—
Canada's share of the expenses of the St. Croix River Reference	—	5,000
Canada's share of the expenses of the proposed Alaska-Yukon River Reference	—	—
Canada's share of the expenses of the Passamaquoddy Tidal Power Reference	60,750	—
Canada's share of the expenses of the Publication of a Report on Water Pollution	7,500	—
Total Increase	50,844	

Canada's share of an Investigation on the matter of air pollution in the vicinity of Detroit-Windsor—Decrease \$2,406

Reduction in staff has been carried out in conformity with the need for technical assistance.

Lake Ontario Water Levels Reference—Decrease \$10,000

During the 1957-58 fiscal year the International Lake Ontario Board of Engineers presented its report to the Commission and this Board was disbanded soon after the report was presented.

St. Croix River Reference—Decrease \$5,000

The reduction here is due to the fact that most of the engineering surveys were completed by the Board during 1957-58.

Passamaquoddy Tidal Power Reference—Increase \$60,750

The increase in this reference is due to a greater expenditure anticipated by the Fisheries Board. During the 1958-59 fiscal year the Commission expects to allocate \$35,000 to the International Passamaquoddy Engineering Board and \$125,700 to the International Passamaquoddy Fisheries Board.

Publication of Report on Water Pollution—Increase \$7,500

This item is a new object. The Commission has agreed to publish a relatively non-technical report. The total cost of this publication will amount to \$15,000 for 25,000 copies, half of which will be incident on Canada.

104—PAYMENT TO COLOMBO PLAN FUND—INCREASE \$600,000

The increase here is 1.7% of that voted in 1957-58—\$34,400,000.

105—ASSESSMENT FOR MEMBERSHIP IN I.C.E.M.—INCREASE \$55,063

The increase here is caused by the increase in ICEM'S proposed administrative budget for 1958 which provides for recommended staff salary increases and related benefits.

108—GRANT TO U.N.R.W.A. NEAR EAST—DECREASE \$250,000

There is actually no change here. Canada's contribution is \$500,000 annually. The amount of \$750,000 provided in last year's estimates covered an 18 month period.

109—PARTICIPATION IN THE INTERNATIONAL COMMISSIONS FOR SUPERVISION AND CONTROL IN INDO-CHINA—DECREASE \$37,441

	Increase \$	Decrease \$
(1) Salaries	—	15,883
(2) Allowances	—	5,561
(4) Professional and Special Services	5,000	—
(5) Courier Service	—	10,000
(5) Travelling Expenses	—	5,000
(6) Freight, Express and Cartage	—	2,000
(7) Postage	—	150
(8) Telephones, Telegrams and Other Communication Services	—	5,000
(11) Office Stationery, Supplies and Equipment	—	—
(12) Materials and Supplies	—	—
(19) Municipal and Public Utility Services	—	—
(22) Sundries	1,153	—
Total Decrease		37,441

109—(1) Salaries—Decrease \$15,883

The reduction in salaries is caused by a decrease in the establishment by three positions.

109—(2) Allowances—Decrease \$5,561

The reduction in allowances is due to the decrease in establishment and the posting primarily of unmarried personnel to Indo-China.

109—(4) Professional and Special Services—Increase \$5,000

Provision is required for hospitalization and examination costs of employees and their dependents on return to Canada after postings in Indo-China.

109—(5) Courier Service—Decrease \$10,000

The decrease in this object is due to the fact that the estimate is based on service from Tokyo and not from Paris as was contemplated when our 1957-58 estimate was prepared.

109—(5) Travelling Expenses—Decrease \$5,000

The decrease here is due to the reduction of personnel being posted to Indo-China in the fiscal year 1958-59.

109—(6) Freight, Express and Cartage—Decrease \$2,000

With a further year's experience in the cost of operation of the offices in Indo-China, it is felt that the decrease made here is possible.

109—(8) Telephones, Telegrams and Other Communications Services—Decrease \$5,000

The present trend of telegraphic traffic to Indo-China indicates that a considerable decrease in expenditure will result provided no serious crisis develops.

109—(22) Sundries—Increase \$1,153

The actual estimate of \$2,500 here is based on the pattern of expenditure in previous years. Provision is made here for goods and services which do not fall into any other categories.

110—TECHNICAL ASSISTANCE TO THE WEST INDIES AND GHANA—INCREASE \$120,000

The increase here is due to the increased salaries and expenses plus the increased number of Canadian experts sent to Ghana and the West Indies.

111—WHEAT AND FLOUR FOR INDIA, PAKISTAN AND CEYLON—INCREASE \$5,000,000

This increase is to bring this item up to the original amount of \$15,000,000 intended to cover this programme.

Appropriations not required for 1958-59	1957-58 \$	1957-58 \$	Increase \$	Decrease \$
To provide for the purchase of flour to be given to the United Nations Relief and Works Agency for Palestine Refugees in the Near East	—	1,500,000	—	1,500,000
To provide for the assessment of the Canadian Government towards financing the United Nations Emergency Force in respect of the calendar years 1957 and 1958	—	909,584	—	909,584
Total Decrease				2,409,584

The following sheets contain the detailed comparative statements as listed below:—

Appendix "1"—Comparison by Votes

Appendix "2"—Departmental Administration (including the former Passport Office Administration)—Comparison by Primaries and Objects

Appendix "3"—Representation Abroad—Operation Expenses—Comparison by Primaries

Appendix "4"—Representation Abroad—Operational and Capital—Comparison by Posts

Appendix "5"—Canadian Government's Assessment for Membership in International Organizations

Appendix "6"—Supplementary Estimates 1958-59

APPENDIX "1"

DEPARTMENT OF EXTERNAL AFFAIRS

COMPARISON BY VOTES

Vote No.		1958-59	1957-58	1957-58	1956-57
		Main Estimates	Estimated Expend- itures	Estimates	Expend- itures
		\$	\$	\$	\$
(S)	Secretary of State for External Affairs—Salary and Motor Car Allowance.....	17,000	13,128	17,000	17,000
A—DEPARTMENT AND MISSIONS ABROAD					
85	Departmental Administration (including former Passport Office Administration).....	5,533,081	5,168,835	5,228,750	4,607,029
86	Representation Abroad—Operational.....	8,576,875	8,038,109	8,338,253	7,251,161
87	Representation Abroad—Capital.....	1,412,688	1,244,030	1,805,275	1,281,806
88	To provide for Official Hospitality.....	40,000	37,328	40,000	46,679
89	To provide for Relief and Repatriation of Dis- tressed Canadian Citizens abroad etc. (Part Recoverable).....	15,000	8,634	15,000	9,046
90	Canadian Representation at International Con- ferences.....	243,000	243,531	249,000	268,452
91	Grant to the United Nations Association in Canada.....	11,000	11,000	11,000	11,000
92	Grant to the International Committee of the Red Cross.....	15,000	15,000	15,000	15,000
93	Grant to the Canadian Atlantic Co-ordinating Committee.....	2,500	2,500	2,500	2,500
94	To Authorize and Provide for Fellowships and Scholarships.....	42,700	112,529	120,000	112,144
		15,891,844	14,881,496	15,824,778	13,604,817
	Total, A—Department and Missions Abroad...	15,908,844	14,894,624	15,841,778	13,621,817
B—GENERAL					
95	To provide for the Canadian Government's Assessment for Membership in International (including Commonwealth) Organizations....	3,549,055	3,226,545	3,303,102	5,544,099
96	To Provide for a Contribution to the United Nations Expanded Programme for Technical Assistance.....	1,976,875	1,933,491	1,927,500	1,767,656
97	Contribution to the United Nations Children's Fund.....	650,000	650,000	650,000	650,000
		6,175,930	5,810,036	5,880,602	7,961,755
98	To provide for Special Administrative Expenses, including Payment of Remuneration, in con- nection with Canadians on N.A.T.O. Strength (Part Recoverable).....	51,109	36,029	44,338	21,970
99	To Provide for a Further Contribution towards the cost of constructing the N.A.T.O. Perma- nent Headquarters.....	286,247	140,807	167,444	90,826
		337,356	176,836	211,782	112,796
100	To Provide I.C.A.O. with Office Accommoda- tion.....	214,971	208,034	208,035	200,542
101	To Provide for a payment to I.C.A.O. in part reimbursement of compensation paid to its Canadian Employees for Quebec Income Tax for the 1957 taxation year.....	7,500	7,500	7,500	6,936
		222,471	215,534	215,535	207,478

APPENDIX "1"—Continued

DEPARTMENT OF EXTERNAL AFFAIRS

COMPARISON BY VOTES

Vote No.		1958-59	1957-58	1957-58	1956-57
		Main Estimates	Estimated Expend- itures	Estimates	Expend- itures
		\$	\$	\$	\$
PENSIONS AND OTHER BENEFITS					
	Annuity to Mrs. Helen Young Roy.....	1,667	1,667	1,667	1,667
INTERNATIONAL JOINT COMMISSION					
102	Salaries and Expenses of the Commission.....	109,248	103,629	106,563	89,031
103	To Provide for Canada's share of the Expenses of Studies, Surveys and Investigations of the I.J.C.....	244,950	138,932	194,106	71,417
	Total—International Joint Commission.....	354,198	242,561	300,669	160,448
TERMINABLE SERVICES					
104	Colombo Plan.....	35,000,000	34,400,000	34,400,000	34,400,000
105	Assessment for Membership in the Inter-Govern- mental Committee for European Migration...	258,218	202,996	203,155	206,425
106	To provide for a Grant to the United Nations Refugee Fund.....	200,000	200,000	200,000	125,000
107	Canadian participation in the work of the European Productivity Agency of the Organ- ization for European Economic Co-operation..	20,000	17,700	20,000	
108	Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.....	500,000	750,000	740,000	500,000
109	To Provide for the Cost of Canada's Participa- tion as a Member of the International Commis- sions for Supervision and Control in Indo-China	389,489	356,130	426,930	423,882
110	To Provide Technical Assistance to the West Indies and Ghana.....	135,000		15,000	
111	To Provide for the purchase of wheat and flour to be given to India, Pakistan and Ceylon to relieve food shortages.....	10,000,000	2,000,000	5,000,000	
	Appropriations not required.....	—	901,820	2,409,584	2,477,233
	Total Terminable Services.....	46,502,707	38,828,646	43,424,669	38,132,540
	Total B—General.....	53,594,329	45,275,280	50,034,924	46,576,684
SUMMARY I					
	Total—A—Department and Missions Abroad...	15,908,844	14,894,624	15,841,778	13,621,817
	Total—B—General.....	53,594,329	45,275,280	50,034,924	46,576,684
	GRAND TOTAL.....	69,503,173	60,169,904	65,876,702	60,198,501
SUMMARY II					
	To be Voted.....	69,484,506	60,155,109	65,858,035	60,179,834
	Authorized by Statute.....	18,667	14,795	18,667	18,667
		69,503,173	60,169,904	65,876,702	60,198,501

STANDING COMMITTEE

APPENDIX "2" VOTE 85

DEPARTMENTAL ADMINISTRATION
(including former Passport Office Admin.)

COMPARISON BY PRIMARIES AND OBJECTS

		1958-59	1957-58	1957-58	1956-57
	Primary	Main Estimates	Estimated Expend- itures	Estimates	Expend- itures
		\$	\$	\$	\$
<i>Salaries (1)</i>					
Permanent Positions.....		3,282,718	2,879,489	3,096,810	2,509,523
Less—Positions which will probably be vacant due to staff turnover.....		320,000		209,000	
TOTAL.....	(1)	2,962,718	2,879,498	2,887,810	2,509,523
<i>Allowances (2)</i>					
Allowances.....	(2)		583		300
<i>Professional and Special Services (4)</i>					
Legal Services.....		30,000	2,030	25,000	5,336
Press News Services.....		2,400	2,312	2,520	1,814
Other Professional and Special Services..		13,000	6,479	13,000	16,653
Tuition and Examination Fees (Languages)		2,000	1,415	2,000	923
TOTAL.....	(4)	47,400	12,236	42,520	24,726
<i>Travelling and Removal Expenses (5)</i>					
Travelling Expenses and Transportation Costs.....		60,000	48,678	55,000	56,093
Removal and Home Leave Expenses.....		580,000	693,058	580,000	578,826
Courier Service.....		106,000	50,122	76,000	38,174
Local Transportation Costs.....			556		468
TOTAL.....	(5)	746,000	792,414	711,000	673,561
<i>Freight, Express and Cartage (6)</i>					
Freight, Express and Cartage.....	(6)	15,000	14,258	17,000	12,931
<i>Postage (7)</i>					
Postage.....	(7)	85,000	76,445	85,000	74,487
<i>Telephones, Telegrams and Other Communication Services (8)</i>					
Telephones.....		7,000	7,003	7,000	9,210
Telegrams, Cables & Wireless.....		175,000	177,949	114,168	221,525
Rental of Teletype Equipment.....		120,440	96,732	81,540	91,957
Carriage of Diplomatic Mail.....		165,000	166,487	190,000	200,357
Grant to N.R.C.....		416,873	335,152	335,152	279,320
TOTAL.....	(8)	884,313	783,323	727,860	802,369
<i>Publication of Departmental Reports and Other Material (9)</i>					
"External Affairs" Monthly Bulletin.....		28,000	25,285	24,000	27,292
Canada Leaflet & Canada from Sea to Sea		40,500	603	46,000	8,277
Treaty Series.....		4,000	6,537	6,000	944
Other Publications.....		87,200	50,524	56,700	12,886
TOTAL.....	(9)	159,700	82,949	132,700	49,449

APPENDIX "2" VOTE 85—*Concluded*DEPARTMENTAL ADMINISTRATION
(including former Passport Office Admin.)

COMPARISON BY PRIMARIES AND OBJECTS

		1958-59	1957-58	1957-58	1956-57
	Primary	Main Estimates	Estimated Expend- itures	Estimates	Expend- itures
	\$	\$	\$	\$	\$
<i>Displays, Films and Other Informational Material (10)</i>					
Photographs.....		20,100	26,957	19,200	20,420
Other Informational Material.....		39,200	18,888	31,100	14,609
TOTAL.....	(10)	59,300	45,845	50,300	35,029
<i>Office Stationery, Supplies and Equipment (11)</i>					
Printing Office Forms, etc.....		113,250	62,320	111,950	82,093
Stationery, Office Supplies.....		90,000	66,666	93,375	71,472
Purchase of Office Equipment and Appliances.....		9,450	11,535	12,250	15,245
Subscriptions to Newspapers.....		7,000	7,016	7,500	7,114
Library Purchases.....		8,800	6,235	9,100	8,700
Microfilming.....		5,350	3,318	3,750	2,417
TOTAL.....	(11)	233,850	157,090	237,925	187,041
<i>Materials and Supplies (12)</i>					
Gas and Oil for Motor Vehicles.....		600	616	750	657
Publications for Distribution.....		36,000	25,563	35,000	34,530
Other Materials and Supplies.....		10,900	17,860	10,000	12,975
TOTAL.....	(12)	47,500	44,039	45,750	48,162
<i>Acquisition of Equipment (16)</i>					
Motor Vehicles.....					
Teletype Equipment.....		55,400	64,693	79,210	111,441
TOTAL.....	(16)	55,400	64,693	79,210	111,441
<i>Repairs and Upkeep of Equipment (17)</i>					
Motor Vehicles.....		1,400	1,666	1,400	1,047
Teletype Equipment.....		43,000	35,932	40,000	25,724
TOTAL.....	(17)	44,400	37,598	41,400	26,771
<i>Taxes on Diplomatic Properties in Ottawa Area (19)</i>					
Taxes on Diplomatic Properties in Ottawa Area.....	(19)	137,500	129,305	125,000	
<i>Sundries (22)</i>					
Profit and Loss on Exchange.....		5,000	2,451	1,500	11,536
Compensation for Personal effects lost in travel.....		10,000	691	10,000	2,952
Sundry Supplies and Services.....		40,000	45,417	33,775	36,746
TOTAL.....	(22)	55,000	48,559	45,275	51,234
GRAND TOTALS.....		5,533,081	5,168,835	5,228,750	4,607,029

APPENDIX "3"—VOTE 86

REPRESENTATION ABROAD—OPERATIONAL EXPENSES

COMPARISON BY PRIMARIES

		1958-59	1957-58	1957-58	1956-57
	Primary	Main Estimates	Estimated Expend- itures	Estimates	Expend- itures
		\$	\$	\$	\$
Salaries and Wages.....	(1)	3,941,902	3,848,632	3,755,717	3,350,662
Overtime.....	(1)	28,900			
Allowances for living including costs of representation.....	(2)	1,227,469		1,226,317	
Allowances to meet higher cost of living abroad.....	(2)	1,288,599	2,428,137	1,285,425	2,292,291
Professional and Special Services.....	(4)	109,840	62,147	80,180	66,863
Travelling Expenses.....	(5)	104,905	79,689	100,235	87,038
Freight, Express and Cartage.....	(6)	54,445	62,289	50,000	57,433
Postage.....	(7)	60,540	53,370	47,205	46,851
Telephones, Telegrams & Other Communi- cation Services.....	(8)	304,826	269,500	281,950	248,441
Office Stationery, Supplies & Equipment...	(11)	160,850	143,131	151,390	126,695
Fuel for Heating & Other Materials & Sup- plies.....	(12)	180,880	135,189	154,519	134,621
Repairs & Upkeep of Buildings & Works....	(14)	189,350	206,162	288,050	96,995
Rentals of Land, Buildings and Works.....	(15)	609,223	503,687	583,515	508,033
Repairs & Upkeep of Equipment.....	(17)	120,475	77,001	126,130	59,851
Rental of Equipment.....	(18)	5,750	3,889	1,065	4,704
Municipal & Public Utility Services.....	(19)	110,610	91,310	127,150	98,290
Benefits, etc.....	(21)	39,376	31,960	42,580	34,244
Sundries.....	(22)	38,935	42,016	36,825	38,149
GRAND TOTALS.....		8,576,875	8,038,109	8,338,253	7,251,161

APPENDIX "4"

REPRESENTATION ABROAD—OPERATIONAL AND CAPITAL

COMPARISON BY POSTS

Diplomatic Missions		1958-59	1957-58	1957-58	1956-57	
		Main	Estimated	Estimates	Expenditures	
		Estimates	Expenditures			
		\$	\$	\$	\$	
Argentina.....	Operational.....	109,708	90,758	125,550	97,603	
	Capital.....	8,258	4,878	45,315	1,898	
		117,966	95,636	170,865	99,501	
Australia.....	OP.....	134,378	119,536	120,457	114,240	
	CAP.....	12,945	4,785	21,335	13,879	
		147,323	124,321	141,792	128,119	
Austria.....	OP.....	104,103	98,299	99,283	76,511	
	CAP.....	1,545	47,836	30,550	17,693	
		105,648	146,135	129,833	94,204	
Belgium.....	OP.....	190,212	179,948	188,222	164,552	
	CAP.....	258,038	12,888	79,218	72,488	
		448,250	192,836	267,440	237,040	
Brazil.....	OP.....	155,294	126,368	126,730	122,335	
	CAP.....	21,263	3,504	22,845	24,335	
		176,557	129,872	149,575	146,670	
Ceylon.....	OP.....	102,949	94,332	90,781	84,628	
	CAP.....	10,870	5,731	25,720	10,474	
		113,819	100,063	116,501	95,102	
Chile.....	OP.....	83,590	72,072	76,510	70,273	
	CAP.....	14,568	911	10,540	6,662	
		98,518	82,983	87,050	76,935	
China-Nanking.....	OP.....	6,726	6,183	8,470	6,017	
Colombia.....	OP.....	86,006	64,050	82,272	59,055	
	CAP.....	6,495	3,869	7,885	5,955	
		92,501	67,919	90,157	65,010	
Cuba.....	OP.....	104,725	82,980	90,983	85,343	
	CAP.....	5,410	6,916	11,005	4,717	
		110,135	89,896	101,988	90,060	
Czechoslovakia.....	OP.....	112,797	96,096	137,375	97,181	
	CAP.....	14,775	12,105	3,145	3,263	
		127,572	108,201	140,520	100,444	

APPENDIX "4"—Continued

REPRESENTATION ABROAD—OPERATIONAL AND CAPITAL—Continued

COMPARISON BY POSTS—Continued

Diplomatic Missions		1958-59	1957-58	1957-58	1956-57
		Main	Estimated	Estimates	Expenditures
		Estimates	Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
Denmark.....	OP.....	102,970	80,127	101,468	80,284
	CAP.....	2,308	3,145	5,235	4,776
		105,278	83,272	106,703	85,060
Dominican Republic.....	OP.....	45,970	37,538	44,536	36,964
	CAP.....	1,700	2,911	5,725	3,145
		47,670	40,449	50,261	40,109
Egypt.....	OP.....	200,325	173,386	138,493	139,941
	CAP.....	44,150	91,585	21,545	73,414
		244,475	264,971	160,038	213,355
Finland.....	OP.....	71,512	60,642	58,418	53,223
	CAP.....	2,185	1,163	2,635	647
		73,697	61,805	61,053	53,870
France.....	OP.....	520,153	479,001	551,569	423,473
	CAP.....	27,618	374,461	176,787	277,604
		547,771	853,462	728,356	701,077
France—NAC & OEEC.....	OP.....	304,879	284,598	273,806	267,627
	CAP.....	16,325	2,462	16,000	3,071
		321,204	287,060	289,806	270,698
Germany—Berlin.....	OP.....	33,108	30,885	31,090	29,848
	CAP.....	2,220	41	1,750	2,207
		35,328	30,926	32,840	32,055
Germany—Bonn.....	OP.....	243,967	231,174	248,952	243,227
	CAP.....	6,900	5,496	28,405	25,820
		250,867	236,670	277,357	269,047
Ghana.....	OP.....	85,084	42,800		
	CAP.....	36,900	29,944		
		121,984	72,744		
Greece.....	OP.....	146,899	130,840	136,305	110,924
	CAP.....	8,990	1,321	6,675	4,820
		155,889	132,161	142,980	115,744
Haiti.....	OP.....	43,997	51,705	57,585	44,158
	CAP.....	2,220	2,705	4,150	1,525
		46,197	54,410	61,735	45,683

APPENDIX "4"—Continued

REPRESENTATION ABROAD—OPERATIONAL AND CAPITAL—Continued

COMPARISON BY POSTS—Continued

Diplomatic Missions		1958-59	1957-58	1957-58	1956-57
		Main	Estimated	Estimates	Expenditures
		Estimates	Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
India.....	OP.....	271,067	214,774	265,513	204,894
	CAP.....	108,425	217,903	111,127	19,176
		379,492	432,677	376,640	224,070
Indonesia.....	OP.....	89,953	73,834	106,744	88,883
	CAP.....	3,975	9,965	27,510	14,245
		93,928	83,799	134,254	103,128
Ireland.....	OP.....	70,333	69,426	68,190	56,538
	CAP.....	55,830	37,038	16,390	69,132
		126,163	106,464	84,580	125,670
Israel.....	OP.....	100,168	75,064	97,756	67,063
	CAP.....	5,708	3,630	6,696	1,102
		105,876	78,694	104,452	68,165
Italy.....	OP.....	212,893	204,529	191,284	179,895
	CAP.....	40,283	16,264	12,978	70,003
		253,176	220,793	204,262	249,898
Japan.....	OP.....	274,589	313,010	287,049	236,576
	CAP.....	62,750	4,767	24,810	63,202
		337,339	317,777	311,859	299,778
Lebanon.....	OP.....	101,615	81,478	87,951	73,233
	CAP.....	6,275	7,858	33,160	6,813
		107,890	89,336	121,111	80,046
Mexico.....	OP.....	124,083	113,356	119,368	104,734
	CAP.....	2,500	4,815	7,739	7,690
		126,583	118,171	127,107	112,424
The Netherlands.....	OP.....	174,203	160,606	163,846	153,496
	CAP.....	13,013	15,537	14,063	168,853
		187,216	176,143	177,909	322,349
New Zealand.....	OP.....	83,769	69,883	78,936	73,484
	CAP.....	3,250	1,679	3,390	3,488
		87,019	71,562	82,326	76,972
Norway.....	OP.....	105,996	79,035	103,069	88,187
	CAP.....	10,460	3,718	19,650	39,444
		116,456	82,753	122,719	127,631

STANDING COMMITTEE

APPENDIX "4"—Continued

REPRESENTATION ABROAD—OPERATIONAL AND CAPITAL—Continued

COMPARISON BY POSTS—Continued

Diplomatic Missions		1958-59	1957-58	1957-58	1956-57
		Main	Estimated	Estimates	Expenditures
		Estimates	Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
Pakistan.....	OP.....	184,956	135,614	158,983	132,343
	CAP.....	18,685	26,242	35,535	18,519
		203,641	161,856	194,518	150,862
Peru.....	OP.....	71,866	62,650	70,136	61,346
	CAP.....	4,915	1,350	5,120	6,785
		76,781	64,000	75,256	68,131
Poland.....	OP.....	169,421	123,372	186,140	135,193
	CAP.....	66,265	22,888	16,180	4,760
		235,686	146,260	202,320	139,953
Portugal.....	OP.....	97,974	97,543	93,538	69,288
	CAP.....	8,950	11,386	25,830	11,508
		106,924	108,929	119,368	80,796
South Africa.....	OP.....	91,783	71,748	86,964	83,961
	CAP.....	5,150	10,170	14,320	4,725
		96,933	81,918	101,284	88,686
Spain.....	OP.....	123,554	97,304	122,114	100,673
	CAP.....	12,175	2,071	11,108	8,727
		135,729	99,375	133,222	109,400
Sweden.....	OP.....	93,237	82,757	86,536	81,282
	CAP.....	3,270	1,874	4,610	5,444
		96,507	84,131	91,146	86,726
Switzerland.....	OP.....	90,405	94,209	89,970	84,439
	CAP.....	10,040	9,924	11,950	3,918
		100,445	104,133	101,920	88,357
Turkey.....	OP.....	158,748	114,254	175,162	127,775
	CAP.....	77,025	2,428	9,990	4,050
		235,773	116,682	167,152	131,825
U.S.S.R.....	OP.....	283,180	244,175	404,136	322,940
	CAP.....	49,475	34,965	46,600	14,893
		332,655	279,140	450,736	337,833
United Kingdom.....	OP.....	632,229	591,539	586,690	459,011
	CAP.....	24,393	28,393	17,297	24,719
		656,622	619,932	603,987	483,730

APPENDIX "4"—Continued

REPRESENTATION ABROAD—OPERATIONAL AND CAPITAL—Continued

COMPARISON BY POSTS—Continued

Diplomatic Missions		1958-59	1957-58	1957-58	1956-57
		Main Estimates	Estimated Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
P.M.U.N. Switzerland.....	OP.....	144,098	142,140	146,063	107,023
	CAP.....	2,475	10,977	11,890	45,944
		146,573	153,177	157,953	152,967
P.M.U.N. New York.....	OP.....	228,946	181,821	164,817	153,265
	CAP.....	19,450	4,010	26,720	22,012
		248,396	185,831	191,537	175,367
U.S.A.....	OP.....	554,716	505,716	509,850	469,788
	CAP.....	13,410	28,690	16,000	15,950
		568,126	534,406	525,850	485,738
Uruguay.....	OP.....	40,682	26,080	36,923	21,823
	CAP.....	1,290	2,327	4,475	929
		41,972	28,407	41,398	22,752
Venezuela.....	OP.....	150,128	133,317	139,368	132,412
	CAP.....	7,700	1,959	8,835	3,738
		157,828	135,276	148,203	136,150
Yugoslavia.....	OP.....	120,369	106,756	120,491	75,143
	CAP.....	15,588	6,869	10,305	5,787
		135,957	113,625	130,796	80,930
TOTAL DIPLOMATIC MISSIONS.....		8,992,701	8,047,162	8,599,185	7,576,134
CONSULATES					
Boston.....	OP.....	101,645	115,935	100,907	88,009
	CAP.....	6,100	4,706	800	1,038
		107,745	120,641	101,707	89,047
Chicago.....	OP.....	129,641	104,630	127,835	97,134
	CAP.....	4,180	11,849	12,250	10,872
		133,821	116,479	134,085	108,006
Detroit.....	OP.....	11,699	10,656	15,666	10,092
	CAP.....				2
		11,699	10,656	15,666	10,094
Hamburg.....	OP.....	13,743	12,499	14,298	6,268
	CAP.....		215		219
		13,743	12,714	14,298	6,487

STANDING COMMITTEE

APPENDIX "4"—*Concluded*REPRESENTATION ABROAD—OPERATIONAL AND CAPITAL—*Concluded**COMPARISON BY POSTS—*Concluded*

Diplomatic Missions	1958-59	1957-58	1957-58	1956-57
	Main Estimates	Estimated Expenditures	Estimates	Expenditures
	\$	\$	\$	\$
Los Angeles.....OP.....	118,474	122,980	122,263	105,867
CAP.....	4,100	3,981	5,900	3,723
	122,574	126,961	128,163	109,590
Manila.....OP.....	21,801	12,922	775	922
CAP.....	25,400	10,594		
	47,201	23,516	775	922
New Orleans.....OP.....	90,014	73,155	77,535	63,846
CAP.....	10,050	2,516	2,165	4,164
	100,064	75,671	79,700	68,010
New York.....OP.....	472,071	365,599	480,967	316,688
CAP.....	24,252	12,186	38,417	22,483
	496,321	377,785	519,384	339,171
Portland.....OP.....	1,500	1,440	1,500	1,459
San Francisco.....OP.....	112,377	103,116	112,187	100,888
CAP.....	5,760	7,310	7,400	5,614
	118,137	110,426	119,587	106,502
Sao Paulo.....OP.....	9,445	8,604	9,696	8,843
CAP.....		35	200	195
	9,445	8,639	9,896	9,038
Seattle.....OP.....	100,152	97,663	97,655	90,329
CAP.....	9,460	3,887	8,900	9,457
	109,612	101,550	106,555	99,786
Shanghai.....OP.....				36
Miscellaneous Unallotted to Missions.....OP.....		109,502		8,685
CAP.....		38,997		
TOTAL CONSULATES.....	1,271,862	1,234,877	1,231,316	956,833
Unallotted Capital Items.....	165,000		648,500	
Approximate Requirement for Increases in Rates of Pay.....			168,227	
GROSS TOTAL.....	10,429,563	9,282,139	10,647,228	8,532,967
Less amount by which Salaries & Allowances will probably fall short of Estimates.....	440,000		503,700	
GRAND TOTAL.....	9,989,563	9,282,139	10,143,528	8,532,967
RECAPITULATION				
Operational Expenses.....	8,576,875	8,038,109	8,338,253	7,251,161
Capital Items.....	1,412,688	1,244,030	1,805,275	1,281,806
	9,989,563	9,282,139	10,143,528	8,532,967

EXTERNAL AFFAIRS

201

APPENDIX "5"

CANADIAN GOVERNMENT'S ASSESSMENT FOR MEMBERSHIP IN
INTERNATIONAL ORGANIZATIONS

Organization	Year	Budget	Amount	Percentage	Contribution of member States to 1958 budget
United Nations.....	1954	41,300,000 U.S.	1,321,184 U.S.	3.30%	U.S.A..... 32.51%
	1955	39,640,000 U.S.	1,438,832 U.S.	3.63%	U.S.S.R..... 13.63%
	1956	48,330,000 U.S.	1,433,930 U.S.	3.63%	U.K..... 7.62%
	1957	48,504,640 U.S.	1,527,897 U.S.	3.15%	France..... 5.56%
	1958	55,062,850 U.S.	1,591,350 U.S.	3.09%	China..... 5.01%
					Canada..... 3.09%
Food and Agriculture Organization (FAO).....	1954	5,925,000 U.S.	338,346 U.S.	5.71%	U.S.A..... 32.51%
	1955	5,890,000 U.S.	335,141 U.S.	5.69%	U.K..... 10.29%
	1956	6,460,000 U.S.	297,806 U.S.	4.61%	France..... 7.51%
	1957	6,650,000 U.S.	306,565 U.S.	4.61%	Germany (Fed. Rep.)... 5.60%
	1958	8,322,500 U.S.	347,049 U.S.	4.17%	Canada..... 4.17%
International Labour Organization (ILO).....	1954	6,556,887 U.S.	234,566.35 U.S.	3.98%	U.S.A..... 25.00%
	1955	6,990,913 U.S.	270,206.11 U.S.	3.88%	U.K..... 10.24%
	1956	7,395,729 U.S.	233,021.49 U.S.	3.63%	U.S.S.R..... 10.00%
	1957	7,617,708 U.S.	256,357.67 U.S.	3.60%	France..... 6.14%
	1958	7,972,901 U.S.	268,203.00 U.S.	3.56%	Germany (Fed. Rep.) .. 4.35%
					Canada..... 3.56%
International Civil Aviation Organization (ICAO)	1954	3,200,000 Can.	136,765 Can.	5.40%	U.S.A..... 500 Units
	1955	3,223,100 Can.	126,463 Can.	5.00%	U.K..... 145 Units
	1956	3,313,451 Can.	128,409 Can.	4.80%	France..... 111 Units
	1957	3,567,732 Can.	129,187 Can.	4.20%	Germany..... 68 Units
	1958	3,492,901 Can.	125,492 Can.	4.20%	Canada..... 63 Units

APPENDIX "15"—*Concluded*CANADIAN GOVERNMENT'S ASSESSMENT FOR MEMBERSHIP IN
INTERNATIONAL ORGANIZATIONS—*Concluded*

Organization	Year	Budget	Amount	Percentage	Contribution of member States to 1958 budget
U.N. Educational Scientific and Cultural Organization (UNESCO).....	1954	9,461,449 U.S.	334,935 U.S.	3.54%	U.S.A..... 31.3 %
	1955	9,491,420 U.S.	262,912 U.S.	2.77%	U.S.S.R..... 13.1%
	1956	10,508,580 U.S.	291,088 U.S.	2.77%	U.K..... 7.33%
	1957	11,069,811 U.S.	340,951 U.S.	3.08%	France..... 5.35%
	1958	11,743,278 U.S.	314,194 U.S.	2.93%	China..... 4.83%
					Germany..... 3.94%
					Canada..... 2.93%
World Health Organization (WHO).....	1954	8,963,000 U.S.	268,340 U.S.	3.00%	U.S.A..... 32.9 %
	1955	10,049,360 U.S.	300,280 U.S.	2.98%	U.K..... 1045 Units
	1956	10,778,824 U.S.	326,820 U.S.	3.06%	U.S.S.R..... 1436 "
	1957	11,051,760 U.S.	382,940 U.S.	3.07%	France..... 685 "
	1958	14,411,160 U.S.	425,060 U.S.	2.95%	Germany (Fed. Rep.)... 471 "
					Canada..... 383 "
General Agreement on Tariffs and Trade (GATT)	1954	351,000 U.S.	15,000 U.S.	4.27%	U.S.A..... 18.81%
	1955	331,000 U.S.	15,000 U.S.	4.27%	U.K..... 17.18%
	1956	383,500 U.S.	16,250 U.S.	4.24%	Germany (Fed. Rep.)... 7.74%
	1957	383,500 U.S.	16,250 U.S.	4.24%	France..... 7.72%
	1958	430,600 U.S.	28,360 U.S.	6.58%	Canada..... 6.58%
International Atomic Energy Agency (IAEA)....	1958	4,089,000 U.S.	123,488 U.S.	3.02%	U.S.A..... 33.33%
					U.S.S.R..... 13.40%
					U.K..... 7.50%
					France..... 5.47%
					China..... 4.93%
					Germany..... 4.08%
					Canada..... 3.02%

APPENDIX "6"

SUPPLEMENTARY ESTIMATES 1958-59

Vote 542—Departmental Administration—

Further amount required \$259,230

This amount is made up of the following items:

Salaries—\$23,230

Provision is made for additional salaries for the balance of the fiscal year as a result of an increase in the establishment.

Carriage of Diplomatic Mail—\$54,000

This is to cover the cost of invoices received for payment in 1957-58 and for which funds were not then available.

Telephones, Telegrams and Other Communication Services—\$135,000

This provides for the rental of Trans-Atlantic cable service for period December 2, 1957 to March 31, 1959 at an annual cost of \$91,000 and for payment of invoices received in 1957-58 for which funds were not then available.

Materials and Supplies—\$9,000

The establishment of additional posts abroad since the original estimate was formulated has made it necessary to revise our requirements.

Acquisition of Equipment—\$38,000

This amount is to cover the cost of replacement units for existing equipment which is being modified for a special circuit between London—Ottawa—Washington.

Vote 543—Representation Abroad—Operational—

Further amount required \$170,530

This amount is made up of the following items:

Salaries and Wages—\$34,662

This amount is to cover additional requirements for salaries and wages of foreign service and local staff for the balance of the fiscal year as a result of an increase in the establishment.

Allowances—\$38,368

This makes provision for an increase of the foreign service establishment.

Repairs and Upkeep of Buildings and Works—\$97,500

This includes the cost of constructing a cypher room and registry in the Permanent Delegation, New York and costs of completing installations at the Consulate General, Canada House, New York.

APPENDIX "6"

(Concluded)

Vote 544—International Joint Commission

Salaries and Expenses of the Commission—Further amount required \$1,800

This amount is for travelling expenses in connection with an inspection trip of the Colombia River Basin by the Commission during July 1958.

Vote 545—To provide for the purchase of wheat and flour to be given to India, Pakistan and Ceylon to relieve food shortages—Further amount required \$3,000,000

This amount is the unexpended portion of the original \$5,000,000 provided in the Further Supplementary Estimates (3), 1957-58.

Vote 546—To provide for the purchase of flour to be given to the United Nations Relief and Works Agency for Palestine Refugees in the Near East \$1,500,000

This item was originally provided in the Further Supplementary Estimates (3), 1957-58. No shipments however, could be made during that fiscal year.

Vote 547—To provide for a contribution to the 1958 Fellowship Fund of the International Atomic Energy Agency \$25,000

This is a new item.

Vote 548—To provide for the expenses of the Commonwealth Trade and Economic Conference \$225,000

This is a new item.

Vote 549—West Indies Assistance Program \$1,475,000

This is a new item.

LOANS, INVESMENTS AND ADVANCES

Vote 655—To authorize, for the purpose of supplementing Economic Assistance given under the Colombo Plan, Special Loans to Colombo Plan Countries to Finance the purchase of wheat and flour \$8,827,000

This is the unexpended portion of the original amount of \$25,000,000 provided in the Further Supplementary Estimates (3), 1957-58.

APPENDIX "B"

UNITED NATIONS ASSOCIATION IN CANADA

STATEMENT OF GENERAL FUND

for year ended March 31, 1958

Revenue:

Membership fees.....	\$ 9,102.50
Donations.....	2,499.43
Grants—Dominion Government.....	11,000.00
—U.N.E.S.C.O.....	1,000.00
—U.N.R.E.F.....	25.00
Interest received.....	120.21
Sale of pamphlets.....	635.30
Education Fund—for expenses re "World Review for Canadian Schools".....	250.00
	<hr/>
	\$24,632.44

Expenditure:

Salaries.....	\$12,375.47
Travelling and organization expenses.....	1,098.81
Meetings.....	174.92
Provision for 1958 annual meeting.....	410.00
Rent.....	1,594.92
Printing and stationery.....	1,076.73
Postage.....	553.50
Office supplies.....	743.28
Telephone and Telegraph.....	238.57
General expense.....	91.45
Membership fee.....	766.60
Subscriptions to "World Review".....	250.00
Cost of External Affairs bulletin.....	3,840.85
Cost of pamphlets purchased.....	737.56
Freight and express.....	90.41
	<hr/>
	24,043.07
Excess of Revenue over Expenditure for year.....	\$ 589.37

Balance, March 31, 1957.....	\$20,089.65
Add: Balance of reserve for future conference—discontinued.....	52.22
	<hr/>
	\$20,141.87
Balance, March 31, 1958.....	<hr/>
	\$20,731.24

STANDING COMMITTEE

UNITED NATIONS ASSOCIATION IN CANADA

BALANCE SHEET

as at March 31, 1958

ASSETS		LIABILITIES	
<i>General Fund</i>		<i>General Fund</i>	
<i>Current</i>		<i>Current</i>	
Cash on hand and in bank.....	\$ 8,541.23	Accounts payable.....	\$ 1,652.91
Amount due from United Nations Appeal for Children Fund....	467.00	Amount owing to branches.....	244.50
Amount due from branches.....	8,554.73		
Pamphlets on hand—nominal value.....	100.00		
	<hr/>		<hr/>
	17,662.96		1,897.41
<i>Investment—at cost</i>			900.00
Dominion of Canada bond—3% 1966 (Quoted value \$4,850)....	4,911.25		
	<hr/>		<hr/>
	4,911.25		20,731.24
<i>Fixed</i>			
Office furniture and fixtures at cost less accumu- lated depreciation.....	953.44		
Library books.....	1.00		
	<hr/>		
	954.44		
	<hr/>		
	23,528.65		
<i>Education Fund</i>			
Cash in bank.....	2,479.67		
Accounts receivable.....	5,587.00		
	<hr/>		
	8,066.67		
<i>U.N.I.C.E.F. Greeting Card Fund</i>			
Cash in bank.....	20,505.26		
<i>United Nations Appeal for Children Fund</i>			
Cash in banks.....	77,994.41		
less:			
Owing to general fund.....	467.00		
Owing to field secretary.....	25.45		
	<hr/>		
	492.45		
	<hr/>		
	77,501.96		
	<hr/>		
	129,602.54		
	<hr/>		
			<hr/>
			129,602.54

Submitted with our report to the members dated May 23, 1958.

GEO. A. WELCH & COMPANY
Chartered Accountants.

APPENDIX "C"

THE CANADIAN ATLANTIC CO-ORDINATING COMMITTEE

Member for Canada of the Atlantic Treaty Association

Constituent Organizations:

The Canadian Institute of International Affairs
The United Nations Association in Canada

230 Bloor St. West
Toronto 5, Canada

JUNE 16, 1958.

H. F. Clark, Esq.,
Finance Division,
Department of External Affairs,
Ottawa, Ontario.

Dear Mr. Clark,

On behalf of the Canadian Atlantic Co-ordinating Committee, permit me to apply for a renewal grant of \$2,500 to assist the Committee in its work during the current fiscal year.

The Committee is the national body for Canada in the Atlantic Treaty Association, a non-official organisation consisting of a national committee or association in each NATO member country, whose purpose is to stimulate interest in and provide information concerning NATO in particular and the Atlantic Community in general.

Officers of the Committee are:

Chairman: Edgar McInnis, President, Canadian Institute of International Affairs.

Vice-Chairman: Marvin Gelber, Past President, United Nations Association in Canada.

Treasurer: Kurt Swinton, Vice-President and General Manager (Canada) Encyclopaedia Britannica.

Secretary: Norah Fraser.

As its name implies, the Committee's primary function is to co-ordinate the work of two constituent organisations, the Canadian Institute of International Affairs and the United Nations Association in Canada in respect of their programmes that bear on the Atlantic Community.

Up to the present, the Committee has been obliged to rely on these bodies for secretarial and other administrative assistance, as well as for much of the substantive work to implement its basic aims. The Committee has neither premises nor paid staff of its own, and its chief facilities are provided by courtesy of the Canadian Institute of International Affairs.

Both the constituent organisations have branches distributed across Canada, which provide a selected audience for speakers in the field of international affairs. The Committee seeks to take advantage of this audience when competent speakers are available to deal with NATO and related subjects, and seeks the good offices of the NATO Secretariat and the Canadian Ambassador to NATO to encourage top level speakers to visit Canada and speak to these bodies.

Publications of the constituent bodies are a further means for arousing interest and spreading information. Recent issues of *International Journal* carried articles on disarmament, Euratom, the European Common Market, and "Modern Weapons and the Small Powers". Pamphlets on disarmament and on disengagement have been published or commissioned. A study kit on Canada and NATO is periodically revised and kept up to date. The film series

The Fifteen Nations has been used by various UNA groups as a basis for study discussions. A particularly important study by J. A. Corry, *Soviet Russia and the Western Alliance*, was published by the CHA in January 1958, and two previous volumes—*Bulwark of the West* by A. C. Turner, and *NATO: the Economics of an Alliance* by Ronald A. Ritchie—remain standard works in their field.

Several special broadcasts have been arranged in co-operation with the CBC. On the eve of the NATO Council's top level meeting in December 1957, the Chairman of the Committee interviewed the Rt. Hon. Anthony Nutting on Britain's European policy. Televised interviews with M. Spaak and Prime Minister Macmillan were arranged over the national network during their visits to Canada, and a similar interview with Mr. Dulles is in prospect.

There were two special highlights during the past season. In December, advantage was taken of the award of the Nobel Peace Prize to Mr. Pearson to stage a public dinner in Toronto, with press and radio coverage, under the joint sponsorship of the CHA and the UNA, with the deliberate aim of focussing national attention on the problems and achievements of the western alliance. The CHA co-operated in the arrangements for M. Spaak's visit, staging dinner meetings in Quebec and Toronto and a luncheon meeting in Halifax. Mr. Wilgress writes that "the meeting in Toronto indicated to me the great need for a further visit of this kind and I hope that before long it may be possible for someone connected with NATO to go across Canada talking to each of the branches and answering questions in the same manner as M. Spaak did."

Apart from these activities of the constituent organisations, the Committee itself maintains liaison with the Atlantic Treaty Association, and with the Department of External Affairs in respect of various matters connected with NATO information. Its advice has been sought in connection with arrangements for delegates to such meetings as the NATO Seminar in Paris last January, the proposed meeting of youth organisations, and the Study Conference on Education to be held next September. It has also arranged from time to time for the circulation of NATO publications, particularly to schools and educational authorities. It provided background material to the delegates to the NATO Parliamentary Association in advance of their recent conference, and makes its own publications available to other national bodies in the ATA.

The limited funds hitherto at the Committee's disposal have been devoted to these purposes, to providing representation at the Council and Assembly meetings of the ATA and to other special meetings, and to building up funds to meet some of the contingencies that are in prospect. It will be appreciated that resources are too slender to finance delegates' travel expenses from Canada to meetings in Europe. It has been necessary to find members who are already overseas, or can go at their own expense, and even then the cost of travel and maintenance for, say, a delegate going from London to an Assembly meeting in Rome, is large enough to limit financing to one or at most two delegates.

In September 1958 the Atlantic Treaty Association will hold its Assembly in Boston, and it is most desirable that Canada should be well represented on this occasion. There has also been the suggestion that a number of the European delegates should be brought to Canada, and this is unquestionably desirable if it can be arranged. It is in anticipation of this kind of development that the Committee has hitherto been extremely frugal with the funds at its disposal, and has sought to build up a modest balance that might enable it to finance such special requirements, particularly when they can usefully serve the purposes for which it was formed.

Attached you will find a financial statement covering receipts and expenditures of the Committee since its inception. I believe that this will show that the Committee, by throwing the major burden on its constituent organisations, has been able to achieve a creditable record with a minimum drain on its own funds. More substantial expenditures are now in prospect, which cannot be met without a renewal and, if at all possible, an increase in our grant. I trust, therefore, that this application will receive the most favourable consideration.

Yours faithfully,

Edgar McINNIS,
Chairman of Committee.

STANDING COMMITTEE

CANADIAN ATLANTIC TREATY ASSOCIATION COMMITTEE

1. Receipts & Disbursements January 1st, 1956
to October 18th, 1957*Receipts*

C.I.I.A.	\$ 300.00
U.N.A. in Canada	300.00
Government of Canada (Dept. of External Affairs) ..	3,950.00
Bank Interest	83.62
	<hr/>
	\$4,633.62
	<hr/> <hr/>

Disbursements

Fees Paid to A.T.A.	829.36
Expenses paid to British A.T.A. members in connection with representing Canadian Committee at various meetings	341.37
Publications	587.95
Literature	111.78
Stationery	68.76
	<hr/>

\$1,939.22

Balance on deposit in The Royal Bank of Canada, Keele & St. Clair Branch, Toronto 9.	\$2,694.40
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\$4,633.62

CANADIAN ATLANTIC TREATY ASSOCIATION COMMITTEE

2. Receipts & Disbursements October 18, 1957
to June 15, 1958*Receipts*

1 January 1956 to 18 October 1957 (as per statement)	\$4,633.62
Interest (31 October 1957)	29.20
15 April 1958 (Government of Canada)	1,050.00
	<hr/>
	\$5,712.82
	<hr/> <hr/>

Disbursements

1 January 1956 to 18 October 1957	1,939.22
Pearson Dinner (15 January 1958)	150.00
Canadian Institute of International Affairs (15 Jan.)	12.94
Atlantic Treaty Association (17 January 1958)	208.81
Atlantic Treaty Association (17 January 1958)	5.70
Atlantic Treaty Association (3 April 1958)	207.31
	<hr/>

\$2,523.98

Bank Balance as of 15 June 1958 (Royal Bank, Wellington & Bay)	\$3,188.84
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\$5,712.82

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

Government
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

NO. 5

THURSDAY, AUGUST 7, 1958

MAIN ESTIMATES OF THE DEPARTMENT OF
EXTERNAL AFFAIRS—1958-59

WITNESSES

Messrs. R. W. Rosenthal, Acting Administrator, International Economic and Technical Division, Department of Trade and Commerce; F. E. Pratt, Chief, Capital Projects Section; D. Bartlett, Chief, Technical Cooperation Service; and R. Grey, Economic Division, Department of External Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.

and Messrs.

Aitken (Miss),
Argue,
Brassard (Lapointe),
Cardin,
Crestohl,
Deschatelets,
Dinsdale,
Dorion,
Fairfield,
Garland,
Herridge,
Jones,

Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Mandziuk,
Martin (Essex East),
McCleave,
McFarlane,
McGee,
McGrath,

Nugent,
Paul,
Pearson,
Pratt,
Richard (Ottawa East),
Smith (Calgary South),
Stinson,
Valade,
Van Horne,
Vivian—35.

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, August 7, 1958.

(7)

The Standing Committee on External Affairs met at 10.15 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Argue, Crestohl, Fairfield, Garland, Jones, Kucherepa, MacLellan, Martin (*Essex East*), Mandziuk, McCleave, McFarlane, Paul, Richard (*Ottawa East*), Smith (*Calgary South*), Vivian and White—(16).

In attendance: From the International Economic and Technical Cooperation Division, Department of Trade and Commerce: Mr. R. W. Rosenthal, Acting Administrator; Mr. F. E. Pratt, Chief of Capital Projects Section; Mr. D. Bartlett, Chief of Technical Cooperation Service; and Mr. J. H. Marshall, Assistant to the Chief of Capital Projects Section. From the Department of External Affairs: Mr. R. Grey, Economic Adviser.

The Committee resumed its consideration of the Main and Supplementary Estimates, 1958-59, relating to the External Affairs Department.

Item numbered 104—*Colombo Plan*—was called, and the Chairman introduced Mr. Rosenthal and his colleagues.

The witness read a prepared statement respecting the Colombo Plan. In that statement he tabled and referred to the following documents:

1. Canadian Colombo Plan Capital Aid Projects as at March 31, 1958.
2. Tables indicating Canadian Assistance under the Colombo Plan in recent years.
3. Statistical Summary of Technical Co-operation Program, 1950 to June 30, 1958.

Agreed,—That the abovementioned documents be included in the Committee's record. (*See Appendices to this day's Evidence*).

Agreed,—That the Department of External Affairs be asked to secure and distribute to the members of the Committee copies of a Report of a survey, made by the State Department of the United States, respecting contributions made by Communist countries to underprivileged nations.

Mr. Rosenthal and his associates were questioned respecting his statement and other related matters. Mr. Grey also answered questions as requested by the Committee.

Item numbered 104 was approved.

At 12.05 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Acting Clerk of the Committee.

EVIDENCE

THURSDAY, August 7, 1958.
10:00 a.m.

The CHAIRMAN: Gentlemen, I see that we have a quorum. Will you please come to order.

The subject before us this morning, as I announced yesterday, is the Colombo Plan. We welcome, today, Mr. Rosenthal. Mr. Rosenthal has been associated with the Colombo Plan almost since its inception and was assistant administrator under Mr. Cavell. Mr. Rosenthal has with him today Mr. F. E. Pratt, Chief of Capital Projects, Mr. D. W. Bartlett, Chief, Technical Cooperation Service and Mr. J. H. Marshall. We also have with us, from the Department of External Affairs, Mr. Grey who is here in the event that some of the questions which are asked might be more properly answered by a representative from the Department of External Affairs instead of by the officials of the Dept. of Trade and Commerce.

Without further delay, I will call item 104, the Colombo Plan, and ask Mr. Rosenthal to take over from there.

Item 104. Colombo plan 35,000,000

The CHAIRMAN: Mr. Rosenthal has two or three documents and I will ask at the conclusion of his statement that they be included in the minutes of today's proceedings. The statements and the documents will be distributed at this time to the committee.

Mr. R. W. Rosenthal (Acting Administrator International Economic and Technical Cooperation Division (Colombo Plan Administration) Department of Trade and Commerce) called:

The WITNESS: Mr. Chairman and members of the committee:

On December 10 of last year Mr. Cavell appeared before you as administrator of our branch to report on the position of Canada's contribution to the Colombo plan, as he had done so fully and ably in the past. Since then, as I am sure you know, Mr. Cavell has been appointed Canadian High Commissioner to Ceylon, where he is still playing an important role in our Colombo plan work.

As many members of the committee will be aware, our aid embraces both capital projects and technical assistance. I should like to touch upon capital aid first, and may I therefore, Mr. Chairman, table a descriptive list of "Canadian Colombo plan capital aid" as at March 31, 1958. We also have additional copies so that members may each have one for reference.

In the seven months since our last report to your committee, Mr. Chairman, although the number of capital projects has increased from 79 to 87, no very large new undertakings have been begun. The reasons for this are twofold. Firstly, we have been concerned with the completion of major projects already under way in Pakistan, India and Ceylon. These were hydro-electric and irrigation developments and an aerial resources survey. Secondly, India, where we would have had funds available to accept a large project or two, had felt it necessary to change the type of aid requested from Canada in earlier years, for reasons which the committee may find of interest.

India, with her second five year plan under way, has ordered much of the capital equipment required during that period for the steel mills, power plants, transportation systems and agricultural mechanization on which she is concentrating. Much of the equipment still to be ordered is covered by loans and credits already arranged or in prospect. The government of India has thus felt it essential to keep its present industries supplied with raw materials, and this was reflected in our program for India in 1957/58, where high priority was given to the supply of copper, aluminum and nickel. Although the Indian capital aid program for this year (1958/59) has not yet been negotiated, our information is that commodities and raw materials will again be urgently requested.

While no dramatic new projects have been inaugurated, I am very happy to report that at Warsak, on the northwest frontier of Pakistan, which is the biggest power project we have undertaken—and one which has been widely publicized in Canada and Asia—our Canadian engineers and contractors, in collaboration with their Pakistani associates, have largely overcome the many problems which plagued us all in the earlier phases. The critical construction period has passed and the fear of delay if unfavourable rock conditions had been encountered in the river bed where the dam is now being built, has now been dissipated. When the coffer dam was overtopped by the flooding Kabul river this spring, work on the permanent dam had reached the stage where construction could be carried on through the high water season. The work schedule has recently been revised and two of the four 40,000 KW power generating units will, in all likelihood, be in operation in March 1960—about nine months sooner than had been anticipated a year ago. In addition to the 145 Canadian technical personnel—many with their families—who are currently employed at Warsak, their Pakistani co-workers now number over 8,600. Thus, in addition to the benefits that will accrue to Pakistan from Warsak power and irrigation, Canada will have been instrumental in providing employment for several years to a substantial number of tribesmen who, on completion of the project, will constitute a skilled labour force, invaluable to their country in its efforts to industrialize. Also, Mr. Chairman, I would like to pay a special tribute to the outstanding job our engineers' and contractors' personnel have done at Warsak under conditions which often seriously taxed both their patience and their health. The friendly relationship which now exists between the Canadians and Pakistanis at the site is, I feel sure you will agree, a very valuable achievement in itself.

The other major hydro-electric power project now under construction is Kundah, in Madras state, southern India. In this case, Canada's contribution is engineering design and supervision, together with the provision of generating and related equipment. Production of the equipment by Canadian manufacturers and the construction work being undertaken by the Madras Electricity Engineering Branch are both proceeding on schedule. Co-operation between the Canadian and Indian engineers is excellent. As with Warsak, this project where over 10,000 Indians are now working is, in addition to providing electricity to a critically power-short area, also helping to alleviate the perennial unemployment problem in that region.

Another important continuing project is the aerial resources survey of Ceylon, which was begun in 1956. Aerial survey work is a field in which Canadian know-how is unsurpassed in the world, and the survey of Ceylon, like the survey undertaken as one of Canada's first Colombo Plan projects in Pakistan, has been commended by international authorities as one of the most basic types of assistance possible in planning the economic development of the country. The Ceylon survey has carried out resources inventories to indicate where development schemes could be most profitably undertaken and at the same time has provided factual background information for planning such schemes. Although the emphasis in this project has been on geology, forestry

and land use (particularly the best methods of employing water resources for irrigation, flood control and power), many other types of new developments on the island are being studied and planned with the help of the aerial photographs. These have been used to plan a new sugar cane development in the Gal Oya valley, to locate new sources of limestone for a cement plant, and to estimate the available yield of coir for a new factory. During the disastrous floods in Ceylon early this year our aerial survey team added to Canada's already high reputation in the area and earned the public thanks of the Prime Minister of Ceylon by putting their aircraft and crew at the disposal of the government for flood relief operations.

The delivery to Ceylon about two months ago of two Canadian built diesel electric locomotives completes another project which has formed part of our capital aid program for three years.

By Mr. Martin (Essex East):

Q. How many diesel engines do they operate?—A. Ten. In all, ten of these diesel locomotives—

Mr. MARTIN (*Essex East*): This is like an instance where a colleague of mine was reading the text and when he came to page five he said "Gosh, that is good, I must do it over again."

The WITNESS: In all, ten of these diesel locomotives have now gone into service on the Ceylon state railways, where they cut running time by 40 per cent on several lines and made possible the establishment, for the first time, of a daily service between Colombo and Jaffna, on the northern tip of the island. The Ceylon Railway Board has decided to standardize on these diesels and has announced its intention of purchasing two more units. Each of these ten locomotives prominently displays a plaque bearing the name of one of the Canadian provinces.

As I have already said, Mr. Chairman, our work in the administration of overseas economic assistance falls into two broad categories—the capital projects, which I have just mentioned, and technical assistance. The difference between them, essentially, is that the first deals with goods and services and the second with people. The two are of course complementary; machinery is of little value unless skilled people are available to install, operate, maintain it, and to organize the productive processes to take advantage of it. Similarly, skilled people may be wasted if they lack the tools with which to work.

The pattern of our technical assistance during the past year followed, generally, the lines established previously. In this context, Mr. Chairman, with your permission I would like to table a statistical summary of our technical assistance program by calendar years from the beginning of the Colombo Plan. This table is complete to December 1957 and part year figures to June 30, 1958. Copies are also available for the members of the committee. To bring these statistics up to date, you might be interested to know that on July 31 there were 34 Canadians working in south-east Asia under Colombo plan auspices, and 195 Colombo plan trainees studying in Canadian universities, industries, federal and provincial government departments, and other institutions.

The fields of work in which all these people are engaged cover a very wide range of economic activity. For example, we have a Canadian radio therapist and a clinical physicist in Rangoon working with the cobalt beam therapy unit given to Burma through the Colombo plan almost a year ago. They are soon to be joined by a technician whose main job will be the training of additional technical staff. Meanwhile two Colombo plan awards for post graduate study have been granted to a Burmese doctor and a physicist so that they can return to Burma with the training needed to replace the Canadians.

In quite another field we have a stationary engineer in Pakistan—the only Canadian remaining now at the Maple Leaf Cement Plant, Daud Khel, which

has been discussed by the committee in previous years. This man is responsible for the operation and maintenance of the thermal electric generating station which powers the plant. When he arrived in Pakistan he chose two promising junior engineers to learn his job; they worked with him for a time and then we brought them to Canada for further training here. They will return to Pakistan late this year to take over.

Also in Pakistan we have an aircraft mechanic instructor, who is working with the aerial wing of the Ministry of Agriculture, plant protection department. Some members of the committee may recall that we supplied to Pakistan three De Havilland Beaver aircraft four years ago for use in crop dusting and spraying work. These aircraft have proven themselves in Pakistan as they have all over the world; so much so that the government of Pakistan intends to buy more of these planes on their own account for the same work. Our expert is training a staff of maintenance men to look after the expanded fleet.

Of course, all our technical assistance is not associated directly with the capital program as in the cases I have just mentioned. The need in most instances is for people with the training to deal with pressing local problems. For example, Sarawak, or the northern part of the island of Borneo, is populated mainly with primitive jungle dwellers who have had little contact with outside civilization. The local government is trying very hard to bring some elementary education to these people and asked Canada for visiting headmasters to act as travelling supervisors and counsellors for village schools in the jungle. We sent one man about a year ago, and another will follow next month. Some members may have noticed the article in a recent issue of "Weekend" magazine about the teacher who is there now; as well as being a school supervisor is called upon to serve as doctor, agricultural extension officer, public health advisor and, in fact, adviser in almost all things to his wards.

There is no single way, effective under all conditions, to make our Canadian knowledge and techniques available to people from other parts of the world. Sometimes circumstances seem to require sending Canadians abroad, as in most of the foregoing examples; frequently it is more effective to bring people here. During the academic year just completed some 46 graduate students, and 70 undergraduates mostly from Indonesia and Indo-China, were enrolled with Colombo plan support in our universities. Most of them studied engineering, or other scientific or technical subjects. High standards of work are taken for granted in the graduate students, but we have been very pleased and rather surprised at the records of some of the undergraduates. A Pakistani who got his degree in petroleum engineering last spring from the University of Alberta won the gold metal of the provincial association of professional engineers in this field. Two Ceylonese graduating from the Ontario Agricultural College in agricultural economics placed first and second in their courses. At least one Indonesian who got his degree in electrical engineering last spring was offered a bursary from the National Research Council for post-graduate work. We feel that these people, who come to a country very strange to them, and who must overcome handicaps of language, social customs, and preliminary education, deserve a great deal of credit for their accomplishments.

This list of examples could be continued almost indefinitely, Mr. Chairman, but I think that I have said enough to indicate something of the scope and method of our technical assistance program. The formal objects of the program is of course to bring modern knowledge and techniques to bear on the problems of underdeveloped countries, and our efforts are directed primarily to this end. However, we feel that the growth of friendship and human appreciation between individual people from Canada and other countries is a very important, if intangible, by-product of our main work. This, of course, is a matter for the Canadian people as a whole, and not for just one government agency. We are

fortunate indeed in having organizations like friendly relations and overseas students, the world university service and the overseas friendship society of Ottawa to provide meeting places and arrange for informal contacts between Canadians and our visitors from overseas. Beyond this, even after eight years of experience we are still sometimes surprised at the interest that individual Canadians take in these people, and at the hospitality shown to them.

In concluding these remarks concerning the Colombo plan, Mr. Chairman, I would like to table, and make available to members of the committee, a statement showing how the funds voted by parliament for capital and technical assistance have been employed up to March 31, 1958.

I have also, Mr. Chairman, a brief statement on the new arrangements for technical cooperation with the West Indies and Ghana for which financial provision is made in votes 110 and 549. These arrangements follow, generally, the pattern established for our Colombo plan operations. Would it be your wish to consider all these programs concurrently or should the West Indies and Ghana be deferred until after discussion of the Colombo plan?

The CHAIRMAN: Now that these documents are in the hands of the members of the committee I would suggest that you proceed. Then we will go back to the Colombo plan and carry on from there.

There were some questions asked last evening when the votes were passed and I assured members of the committee that there would be a complete discussion of Ghana and the West Indies.

By the Witness:

As the Under-Secretary of State for External Affairs has already explained to the committee, arrangements for aid to the West Indies were first discussed late in 1957. Funds were made available to finance some technical assistance for both the West Indies and Ghana early in 1958 and the unspent balance of these funds, amounting to \$135,000, appears as vote 110 in the main estimates for 1958/59. It is expected that all this money will be available for Ghana, since vote 549 in the current supplementary estimates includes an item of \$215,000, specifically for technical cooperation with the West Indies.

This latter vote (549) also includes provision for capital assistance in the amount of \$1,250,000 for a ship for a West Indies inter-island service. The under-secretary dealt with this ship in his statement to the committee. Members may be interested to know that officials of the Department of Transport who are specialists in the design of ships and the economics of shipping have just returned from the West Indies, where they discussed past operations of inter-island ships, inter-island traffic (both passenger and freight) and port facilities, as a basis for the design of a ship which will best meet the needs of the federation. A preliminary design will now be undertaken which will be submitted to the federation advisory committee on shipping for further consideration.

Of the \$215,000 provided for technical assistance, firm commitments in prospect at the present time, subject to passage of the item, amount to approximately \$61,000, all of it for the services of Canadian technical specialists to advise the new government on such subjects as statistics, housing, forestry, and geological and soils surveying. Three Canadian experts are in the West Indies now, two have returned, and two more will be going within the next month or so. These last two will advise on fisheries and on technical education.

The program in Ghana has been a little slower in developing than that for the West Indies, but two experts are there now. One is a senior officer of the R.C.M.P., and the other an adviser on the economics of gold mining. We hope also to bring a few students to Canada for the beginning of the next academic year.

This may seem like a slow start in technical assistance, both in the West Indies and in Ghana, but it parallels our experience in the early stages of the

Colombo plan technical cooperation scheme. It takes quite a long time for people in these countries to become aware of the kind of help that Canada can provide, so that they can ask for experts and for training facilities. A good deal of preliminary work on their part is also required to establish the programs within which the experts can fit, and to select the students to come to Canada. We expect that the small beginnings which have been made will grow into substantial and worthwhile support for these two new commonwealth countries.

Thank you, Mr. Chairman and members of the committee.

The CHAIRMAN: I am certain that the members of this committee have listened with a great deal of interest to the statement of Mr. Rosenthal dealing with the Colombo plan, West Indies and Ghana.

Members of the committee may now ask questions. I think perhaps we should deal with the Colombo plan first then the West Indies, and follow that with a discussion on Ghana.

By Mr. Kucherepa:

Q. In regard to your statement, Mr. Chairman, I wonder if someone would explain to me what the word "coir" means?—A. That is the outer husk of the cocoanut which is used in making rope.

By Mr. Martin (Essex East):

Q. I wonder if we could ask Mr. Rosenthal to supplement his excellent statement by further particulars as to the extent of the Colombo plan and its operations. For instance, has the Indonesian government taken advantage of all the help available to it as of two years ago? For instance, the plan for technical assistance to Indonesia had not been fully taken up by the Indonesian government. Has that situation been corrected?—A. I think we are improving gradually in this respect, Mr. Martin.

As you know yourself, from your own experience, some Asian countries are more underdeveloped than others and it takes a little longer to work with the less developed ones.

Q. How much money is still available for Indonesia that has not been taken up by Indonesia?—A. In regard to technical assistance?

Q. Yes. Is there as much as \$200,000?—A. There is no actual allocation for technical assistance. In regard to the \$1 million, or the \$1,500,000 that we are working with, it depends entirely on requests that we receive.

Q. My recollection is that we estimated—speaking strictly from memory—roughly \$400,000 for technical assistance to Indonesia, and that we had made representations to the Indonesian government for an acceleration in regard to the acceptance. I recall that out of the allocations that we envisaged there was still about \$200,000 that Indonesia could receive, but which they had not taken. I was just wondering if you could give us some indication as to what the situation is at the present time.—A. Our technical assistance to Indonesia has certainly stepped up. We have never, however, worked within a certain figure.

Q. About two years ago I believe there were 40, possible, technical assistance projects which were available to Indonesia of which they had not taken advantage, but which we were urging them to accept.—A. You are not speaking of capital assistance?

Q. No, I am speaking of technical assistance.—A. You are speaking of experts and trainees?

The number of trainees has been growing as reflected in this table. The number of experts going out has increased.

As I mentioned before it is a little difficult to fit these people in usefully. I think we are gradually making progress in this direction.

Q. Perhaps Mr. Rosenthal or his assistants could provide the answers in detail later on. I will just ask the questions now.

In regard to our technical assistance to Indo-China you have given us a report. I take it that the progress in Vietnam has been very good. Could you tell us what the progress has been in Cambodia where this assistance was just beginning two years ago?—A. The progress in Cambodia has been particularly slow.

Actually we have done a little more for Laos than we have for Cambodia.

Q. I suppose that has to do with agricultural assistance?—A. I am speaking of trainees coming to Canada.

We have, as you possibly know, two missions of Vietnamese who are training at Ste Anne de la Pocatière.

Q. Those are Vietnamese?—A. Yes.

Q. The situation in Cambodia two years ago was practically negligible. Are we making any progress there?—A. I am afraid the program has not stepped up very fast in Cambodia.

Q. Could you say something with regard to medical assistance there?—A. Perhaps Mr. Bartlett might add something to what I have said.

Mr. D. W. BARTLETT (*Chief Technical Cooperation Service*): We have managed to bring in a number of undergraduate students mostly to the universities of Montreal and Laval from Cambodia and Laos.

The problem we are faced with is the finding of people with the elementary education which is necessary for them to take advantage of our higher educational facilities here.

Expansion is quite difficult particularly because of local administration difficulties, and because of the housing situation in Laos. There is nowhere to house them.

Progress has been steady but very slow.

By Mr. Smith (Calgary South):

Q. Mr. Chairman, I should like to know if I have the proper conception of the objective of the Colombo plan.

I have always been under the impression—while I realize, of course, that the division of money is between capital assistance and technical assistance—as a result of the meeting a year ago, that the emphasis was, of necessity in most instances, placed on the providing of aids to these people so that they could help themselves. Of course a very large degree of capital assistance would also be directed to that end. Would it be correct to say that by and large the moneys are expended with that single objective in mind rather than with the idea of setting up bricks and mortar for a particular unit or particular construction?

I understand that the intention is more and more to provide aid, education and technical assistance so that these people will be in a position to help themselves in these technical fields.—A. I think it is true to say that that was the basic objective. This objective has been modified in some instances through necessity. But it has always been our basic objective.

By Mr. Jones:

Q. I was interested in your comments with regard to the Friendly Relations with Overseas Students and the World University Service. I have watched the progress of both of these organizations and observed their work over the past number of years. I know of the splendid work they have been doing in this field.

I was surprised, however, to notice that only 195 Colombo plan trainees are studying in this country at the present time. I wonder if Mr. Rosenthal could perhaps elaborate a little bit in regard to that program. Are we having difficulty in some of the countries in getting students to come over here; is

there a problem in regard to accommodating these people at our universities, and are our grants to the individual trainees sufficiently high? I know, for example, in the case of Indonesia, there has been considerable success with Indonesians studying over here. The numbers have been very small.—A. There are a variety of reasons for this. I believe Mr. Bartlett could speak in regard to some of them.

We are endeavouring to find trainees who can usefully absorb the kind of training that will fit them for a real job in their own countries. I believe that, consistent with that, we have done a reasonably good job.

In addition to our Missions abroad we have, in one post, our own liaison officer—we have others in prospect—who have been screening these people.

We want to avoid, if we possibly can—I do not want to overemphasize this—bringing to Canada trainees in quantity and not quality. We want to get people who will fit into their own countries in a useful way, and who are not just going abroad for a “sleigh ride”.

By Mr. Kucherepa:

Q. Mr. Chairman, like Mr. Arthur Smith, I have felt that our policy has been to help these people help themselves. On page 2 of the statement appears the following: “The government of India has thus felt it essential to keep its present industries supplied with raw materials, and this was reflected in our program for India in 1957/58, where high priority was given to the supply of copper, aluminum and nickel. Although the Indian capital aid program for this year (1958/59) has not yet been negotiated, our information is that commodities and raw materials will again be urgently requested.”

How much of this capital aid program is in the form of raw materials?—A. In regard to India, for the year we are talking about, it was close to \$11 million.

Q. By “commodities” I presume you mean—A. Copper, aluminum, nickel in the case of India.

Q. I suppose the other part of the capital aid program would have to do with machinery and that sort of thing, would it not?—A. Yes, that is true.

By Mr. Jones:

Q. Following what I had in mind earlier, do you feel that the 195 trainees is the maximum that we can acquire to train under this plan? Do you think that this number can be increased, or do you feel that it would be worth while increasing the number of trainees under the Colombo plan studying in Canadian universities?—A. As to the amount of money provided for the Colombo plan, it is for the Government of Canada to decide. It is our duty to work within that amount. I think this is a matter of government policy.

Q. I am not asking you about the government policy. I wanted to know if the funds we are providing are sufficient so that you can acquire students of the type required?—A. I think the only way I can answer that question is to say that we are gradually building up. You are speaking specifically of trainees?

Q. I am speaking of trainees.—A. The number is gradually being increased, as the statistical tables show.

Consistent with the various qualifications that we must have in the trainees, I think this can only grow at a regular rate—at a progressive rate. I do feel that in time this number can be increased.

Q. Have you found a limitation in the universities as to the number of students that they can accept?—A. I do not think there is much of a limitation in the universities. Perhaps Mr. Bartlett would like to add something to what I have said.

Mr. BARTLETT: There is one point which I think should be recognized. The shortage, in most cases, is in the supply of trainees.

In Indonesia, for example, which you have mentioned, offers are made to the government of Indonesia by Australia and the United Kingdom and by other Colombo plan participants as well as Canada. I think it is fair to say that almost all the people that can be turned out for training abroad have the opportunity to get this training. I know in other countries, such as Ghana, efforts in regard to trainees for training abroad are almost negligible because it is felt that too many people are being taken out of the administration there and there is no one left to run the country.

Mr. JONES: What is the situation in India?

Mr. BARTLETT: We have never encouraged the nomination of undergraduates in India—because India has very good universities of its own and it is perfectly capable of turning out competent engineers, and so on. We have limited our program there to graduate students.

To my knowledge we have never turned down a nomination that has been made.

Mr. JONES: Do you think the aid we have offered is sufficiently well known in India so as to interest India's graduates to apply?

Mr. BARTLETT: Yes. I would say definitely yes.

By Mr. Smith (Calgary South):

Q. On page 6 of this statement, Mr. Chairman, we see a rather good example of the Colombo plan's success in the reference to the fact that Pakistan, as stated in the report, intends to buy more of these DeHavilland Beaver aircraft. I would assume that this example is an exception and is not a general trend. There are not too many examples of this kind where a country, after we have provided machinery and technical equipment, buys more of the same type? I presume this is an unusual situation?—A. I am afraid so.

Q. Could you tell us if, since this report was prepared, the Pakistan government has purchased these aircraft?—A. They have not bought them yet.

By Mr. Martin (Essex East):

Q. What are these aircraft intended for?—A. Crop dusting and spraying, and plant protection work.

By Mr. Crestohl:

Q. I should like to ask Mr. Rosenthal if, apart from this written report, he could give us his own impression or opinion as to whether or not the western powers that support the Colombo plan are making a sufficiently good impression towards the objectives they have in mind?

Perhaps I will make my question a little wider. Are we meeting any competition from the Soviet Union in regard to similar types of work? If we are meeting such competition, to what extent? We have supplied locomotives, for example. What has the Soviet Union supplied?—A. In regard to the first part of your question, the donor countries are Canada, the United Kingdom, Australia and New Zealand. Canada is the largest single donor, of course.

We are obviously making an impression largely on the upper strata of educated people who are capable of knowing what is going on.

In regard to the great mass of peasants and uneducated people, and so on—I think this is a matter that Mr. Cavell has dealt with before—it will be many years before these people who cannot read or write and have no radios to listen to will know much about this assistance. However, we do feel that we are making a useful impact.

By Mr. Martin (Essex East):

Q. Keeping in mind Mr. Smith's question and relating it to Mr. Crestohl's interrogation, do you think that one of the justifications for some of the larger

capital projects such as Warsak is that the donor countries like Canada, Australia, the United States and Great Britain, are materially helping the donee countries without any conditions attached?—A. This is very definitely true, Mr. Martin, and these few large projects are exceptions to what I just said. In the case of Warsak, there are a great many of the local tribesmen who have been involved directly and indirectly with Warsak and they do know what the Colombo plan is all about.

By Mr. Crestohl:

Q. What is the extent of infiltration by the Soviets through their system of sending in experts and so on and their actual contribution, even the form of competition,—individuals winning over and influencing those countries?—A. It seems to me that this is a rather political question, Mr. Crestohl. I wonder if this is something Mr. Grey would like to comment upon.

Mr. GREY: I would be glad to comment very briefly on Mr. Crestohl's question. Obviously, it is a very extensive question to which it would be difficult to give a comprehensive answer. I think the extent of Soviet aid to the countries we are helping has tended to be exaggerated in the press. There has been very frequent repetition of very substantial statistics. Usually statistics such as the Soviet puts out are generally in terms of expenditures promised rather than actually made.

I think you will see from the press, and statements from the U.S.S.R., that these are mostly founded on promises of aid in the future.

The United States states department has published a very extensive comparative study of aid recently. I noticed an article in the *London Times* recently that from those studies it appears the aid delivered by the Soviets is actually less than the total by the United Kingdom alone. So I think it is a mistake to talk of the Soviets as actually carrying on an extensive aid program. I think it is a mistake to talk in terms of the Soviets catching up. The Soviet aid is very well publicized, but it is not as substantial as it is made to appear. Another point is that a lot of it, of course, is loan aid and not grant aid.

The other point I make, Mr. Crestohl, is in our participation—and Mr. Rosenthal will bear me out—we do not come into direct competition or contact with the Soviets. We do not find that the recipient countries try to play us one against the other. They do not say: "If you do not do this the Soviets will". There have been no examples of this type of thing. Nevertheless, such projects as Warsak, and the atomic reactor which has been built near Bombay, are very startling examples of aid by the west; and people of those countries when they have any visitors from the U.S.S.R. and Communist China I think make a point of showing their visitors these substantial projects. I leave you to imagine the reaction of, say, Chou-En-lai, to the atomic reactor given to an underdeveloped country by a country such as Canada.

Mr. JONES: Would you care to comment on this general problem in relation to the training of students by the Soviet? Have you any knowledge of how many people have been receiving training in Russia?

Mr. GREY: Well, I have not got the statistics available. The most important examples, I think, are the substantial number of Indian steel industry trainees that have been taken to Russia in connection with the steel plant being built by Soviet engineers in India. Indian officials have said that they are very well trained in Russia, and that the Russian engineers who come to India speak the local language effectively.

On the other hand, looking at it from the other side, the Soviets must think that we are getting a great many of the people of these countries to

visit the west where they have a chance to see the western way of life. I would not say the great preponderance of trainees are going to Russia rather than to western countries.

Mr. JONES: You think the numbers going to the western world are far greater than those going to the Soviets from the Colombo plan countries?

Mr. GREY: Well, I have not the statistics but I am pretty sure that that is so.

Mr. VIVIAN: I draw Mr. Rosenthal's attention to page three. It is the wording of a sentence for which I would like an explanation. It is at the end of the first paragraph:

The friendly relationship which now exists between the Canadians and Pakistaniis at the site is, I feel sure you will agree, a very valuable achievement in itself.

Does that suggest that the relationship was not so fond at one time?

The WITNESS: I would not say that it was unfriendly; it was a little difficult. I will be frank about it. The Canadians who move in are usually construction people, and construction people are the same sort of people all over the world—they want to get in and get the job done quickly. They were moving into an extremely backward type of country. The tribesmen, as you will remember from G.A. Henty, were a pretty difficult crowd to deal with. They were suspicious; our people were a little suspicious, and so on. It has taken a little time for this to work its way through, and it is now working out extremely well.

By Mr. Vivian:

Q. Supplementary to that, are we having similar difficulties on the new starts in other countries—Ceylon, for instance? Are our people in Ceylon happy?—A. This has been true pretty well everywhere. It was a little more difficult in the case of Warsak because it was a big project and a lot of people were involved. It was the only place where we had that number of Canadians. Mr. Martin knows it and has seen it.—a Canadian town created, suddenly, next to the Khyber pass.

By Mr. Martin:

Q. Is Colonel Azam still in charge of the project?—A. He is the Pakistani chief engineer.

Q. There are 8,500 people working there.

By Mr. Crestohl:

Q. I am a little concerned with the statement Mr. Rosenthal made, if I understood him correctly, that the Soviets are directing their attention to the masses. I would like a little further explanation on that. Perhaps I misunderstood him. I understood him to say that the system is for the more instructed and upper class to be trained, and the Russians are paying their attention to the masses. If that is what I understood you to say I would appreciate some explanation.

Mr. MARTIN: I do not think he said that.

The WITNESS: I did not say that. I do not think Mr. Grey said it either.

Mr. MARTIN: He said, with regard to impressing people in the countries who were receiving assistance, that the assistance there was recorded; but in the case of technical assistance, the leaders in the country were aware of technical assistance being provided by a country like Canada and that industrial projects, because of their larger character, were brought home better to the masses of the people. But I do not think he said...

By Mr. Smith (Calgary South):

Q. Is that what you said, Mr. Rosenthal?—A. I think it is substantially what I said.

Mr. MARTIN: Then, I think perhaps I might just point out that when people like Chou-En-lai do come to these countries, because they are well known personally and speak to the masses of people I think they boast of the things they do,—which, as Mr. Grey pointed out, were really less than what the western countries are doing,—and that possibly our propaganda machine for these countries is not as effective as the Soviet one.

By Mr. Crestohl:

Q. But are we also getting through in some form to the masses?—A. Well, as we have already discussed, I think this is true where we have a large project, in which case the masses soon know about it. But as I mentioned before, how would a group of peasants who live in central India remote from any Colombo plan project, know about it? They are illiterate, they have no means of learning. This will come in time.

By Mr. Smith (Calgary South):

Q. Mr. Chairman, I said, my understanding of the policy was to provide assistance to people so that they might help themselves?—A. Yes.

Q. And Mr. Rosenthal agreed that that was the primary objective. I wonder if he would perhaps tell me if this has been based on what we gather to be the rather sad experience of other countries who have provided direct financial aid or capital assistance, as the policy has dictated, and that the appreciation shown does not react favourably to it in many instances. At any time you have decided on a policy of this nature, giving technical assistance, it is not only a question of money but it is also a question of the reaction to any other alternative policy based on past experience, say, of the United States in the Marshall plan.—A. Well, this is a rather difficult one to answer, Mr. Smith. I think, I might put it this way; we have tried to profit from the experiences of other aid programs. Our aid program as compared to the United States effort, of course, is a relatively small one. For example, in sending our Canadian technical experts abroad, as you will see from the statistics in that table, there are relatively few of them abroad at any one time and it is therefore easier for us to select good people. We think we do it a little better, but this is perhaps self pride.

Mr. SMITH (*Calgary South*): It is dictated by two factors, one, the budgeting factor, and the second, the policy.

The WITNESS: I think that is probably true, yes.

The CHAIRMAN: Speaking of Canada's contribution as compared with the United States on a per capita basis, how does it stand up?

The WITNESS: I do not believe I have that figure.

The CHAIRMAN: We are seventeen million and they are 175 million or 180 million.

The WITNESS: Our per capita contribution is higher, I know, but I do not know to what degree.

Mr. MARTIN (*Essex East*): Ours is the largest single block outside the United States. I am not saying that to depreciate the United States, because I think we ought to state that the United States is being very generous all over Asia.

The WITNESS: That is true.

Mr. MARTIN (*Essex East*): And they are not being given credit for their generosity.

The WITNESS: I think it is very true indeed.

Mr. JONES: Mr. Chairman, I wonder if Mr. Rosenthal could tell us whether or not there has been any interest shown in India in the development of experimental farms, agricultural experimental farms or agricultural stations provided under the Colombo plan scheme on a large scale.

The WITNESS: Well we have had something analogous to that. In both India and Pakistan we have aided, as you will see from the documents we have submitted, biological control stations. These are not of course experimental farms. You are thinking in terms of the Dominion experimental farm here?

By Mr. Jones:

Q. I am thinking in terms of a program whereby agricultural experimental farms might be established in India for several reasons, some of which immediately leap to mind. One is as examples in the area in which they are located, to serve as a center from which extension work could be done. They serve as a training ground for Indian students, for example,—a training ground which could be operated much more cheaply than bringing that type of student to this country. They provide physical establishments which can be seen by the Indians themselves as having been contributed by Canada and they make an impression on the masses of the people there. Those are some of the things I had in mind.—A. Well, we have only been associated with one venture of this kind which was not in India; it was in Pakistan.

By Mr. Martin (Essex East):

Q. I thought we had one at Agra. —A. This one is in the Tha area, Pakistan in which we cooperated with Australia and New Zealand. This was a desert area being made viable for Moslem refugees after partition from India, and Canada did assist with this. We gave the things we were best able to give, such as agricultural equipment. Australia helped with the things they were best able to give, and New Zealand dairy equipment, and so on.

We have not been asked for this sort of aid from India. I think you know, Mr. Jones, that we respond to requests from them; we cannot be in the position of forcing any aid upon them, and although we have trained Indians in this type of work in Canada, who have gone back to do that kind of work at home, we have never been asked to help set up this sort of project in India.

Q. I certainly agree we should never try to force any of this type of aid on any recipient country, but I think one of the general advantages of the whole Colombo plan program has been a request for aid by the recipient countries, and that results in a much better feeling in those countries. However, I do not suppose these people would hesitate to originate a request of that type if they thought we were interested in giving that sort of assistance.

A further point in that program, of course, would involve Indians becoming used to Canadian agricultural implements which, of course, might have a good effect on trade between our countries.

By Mr. Smith (Calgary South):

Q. You mentioned a magnetometer survey they have been carrying out. Has any of it been applied to a geological survey? What I am trying to review is the reference to Pakistani graduate petroleum engineers. I noticed you

have been carrying out an aero magnetometer survey, or they have been carrying out an aero magnetometer survey. Has any of that been applied to geophysical or geological tests for the purpose of ascertaining oil and gas availability?—A. We have done two of these aero magnetometer surveys, one in Malaya and one in India. The one in India was specifically for that very purpose you mentioned. The one in Malaya was not; it was for minerals. As you know there are various kinds of aeromagnetic surveys.

By Mr. Martin (Essex East):

Q. Are we giving any assistance to Nepal now?—A. Not as of the moment.

Q. Any improvement in our assistance to Singapore?—A. Well, there has been a small amount of capital assistance and a little technical assistance. We have an expert out there now.

Q. Two years ago they were really anxious, I remember, and I just wondered whether we had made any increase, particularly in education and vocational training?—A. In the trainee field, I am not sure. There have been a few trainees, some in fisheries.

The CHAIRMAN: I doubt the wisdom of the Chairman's intervening or projecting his ideas into the discussions of the committee, but as a farmer from western Ontario I often hear my fellow farmers say: "Well, if I had the opportunity to have a project like the O.A.C., I could make my farm bloom like the rose, also". But on the other hand there are projects that are carried out on privately owned farms by way of demonstration, where the farmer buys the fertilizer and ploughs and seeds and reaps his own harvest, and that type of work is very effective in a limited area. I think if money were going to be spent on agricultural expansion in some of these areas, probably it would be a fruitful field. You could demonstrate to the people in the country what technical knowledge applied to their particular conditions will do. On the other hand, of course, you must have the colleges and experimental farms where the basic information is found. But to get it to the man who is going to use it, a demonstration right in his own area is, I think, the best.

Mr. JONES: I certainly think that that is a good point, Mr. Chairman. It is a logical expansion of the idea of the experimental farm. You have to have experimental farms to serve as a nucleus for it. Actually, I know of some instances in India where similar work has been done on a very limited scale but it has been so limited as to make no impact on that country. I think the suggestion of the Chairman is a very good one.

The WITNESS: Might I add a word, Mr. Chairman?

The CHAIRMAN: Yes.

The WITNESS: On the original point of the experimental farm, perhaps I did not emphasize this. I did mention, and members of the committee know very well, that India, by the standards of south east Asia, is a developed country, and this is one field that the Indians have made advances in themselves.

By Mr. Jones:

Q. I have been to India several times myself and I could not help being impressed by the very low standard of agricultural attainment in that country. I think it strikes any visitor to India at first hand, the methods that are in use there. And although the Indian government still realizes and has certainly done work in that regard, the thought I had was of a supplementary nature, because obviously a country the size of Canada, with 17 million population, even with our resources, could not make much of an impact on the total

agricultural field in India. Nevertheless, by assisting in that way it does seem to me that significant help might be given which would tend to augment itself, multiply itself, in the years to come.

The experience we have had in this country with the agricultural graduates from Indian universities, and which has been on the whole very satisfactory, would indicate that they have been pushing their agricultural program there. My suggestion is a supplement to that.—A. That is certainly very true, Mr. Jones. If we were asked to aid in this field, we would be very glad to respond. By our standards undoubtedly their agricultural extension work, you might say, is not of the best, but they think it is very good.

Mr. KUCHEREPA: Mr. Chairman, on page 5 you make mention of the fact that we have a Canadian radiotherapist and a clinical physicist in Rangoon working with the Cobalt beam therapy unit there. I think it would be wise at this time also to give credit to the many other people, scientists, people from the medical field who are working among these countries, through various organizations, primarily of a church type.

I think sometimes their efforts in this field are not fully appreciated because they are not fully known by the public at large. We would do well to recognize their efforts in this field.

By Mr. Martin (Essex East):

Q. I think we are the only contributing country in the matter of Cobalt 60 units.—A. I think that is true, Mr. Martin.

Q. Did we give a Cobalt 60 to Vietman?—A. No; we did give three to India and we have given one to Burma, and that so far is all. Our concern in this field is to try to be sure that the countries are reasonably ready to receive them.

Q. The difficulty in Burma, is that we had offered one to them a long time ago, but they had no technicians available to use it. It requires a physicist and so on, and we had to urge them to take this, as I recall it.

I wonder if you could give us, so we can get an appreciation of the extent of the Colombo assistance, our total figure apart from special gifts of wheat, which I think is around \$34½ million?—A. In the 1957-58 year, the amount was \$34.4 million.

Q. Do you have the dollar contributions or the contributions made by other countries?—A. Other countries?

Q. Yes, so we can see in perspective the extent of Canada's assistance.—A. I have a note on this, Mr. Martin. If you will give me a moment—

By the Chairman:

Q. Could you put it on a per capita basis?—A. I am afraid not. The statistics on this kind of thing are very sketchy indeed, but at the last Colombo plan Consultative Committee meeting in Saigon, there was produced the sixth report, and I have made some excerpts from this. I will read this to you; it is very brief. Unfortunately, these statistics are shown on different bases:

The total Australian contribution of capital aid and technical assistance from the time of the inception of the Colombo plan up to June 30, 1957, was 22.1 million Australian pounds. That is about \$47.7 million Canadian dollars.

New Zealand's commitment for capital and technical assistance will amount to 7 million pounds by 1958. That is the way they put it. This was 7 million New Zealand pounds, which is about \$18.9 million Canadian dollars.

The United Kingdom, the other contributor, has made available since 1951, to countries in the Colombo plan area, a total of approximately 92 million British pounds by way of grants, loans, credit and technical assistance. That

is 248.2 million Canadian dollars. In addition to that the United Kingdom released sterling balances, as I think you know.

By Mr. Jones:

Q. What was the United Kingdom contribution up to?—A. Up to the time this report was written, which was October, 1957. They do not state specifically, but it must have been up to that date, last October.

By Mr. Martin (Essex East):

Q. The total American contribution now?—A. And the Canadian total, as you know, is about \$196 million.

Q. And the total American contribution?—A. This is a bit different because the United States belongs to the Colombo plan but their contributions are through other aid programs. I have not got figures of all the American contributions.

Q. Would you like to look that up? I think it would be well to have this as part of the presentations?—A. What they have given under ICA and so on?

Q. Yes, can you give us some correctly prepared statements?—A. I can produce those figures for you, I think Mr. Martin.

Q. Then the situation dollarwise?—A. The American is the highest, but its on a different basis.

Q. Then we are next, and then the Australians next?—A. Well, the United Kingdom are next and then Australia and New Zealand. The United Kingdom was \$240.2 million, our total is \$196 million. Now, that is the United Kingdom contribution, but they do not say that this is specifically capital and technical assistance, which puts it on a different basis from ours. Theirs includes grants, loans and credits. How much of this represents grants, loans and credits we do not know.

Q. Would you consider this—and do not answer this if you think it is outside your terms of reference. We have been talking here of the Colombo plan now, and you have mentioned assistance to Ghana, which is the first country in Africa. Have you other projects in mind for Africa?—A. Well, so far, as I mentioned in my statement, the Ghana program is beginning with technical assistance and I think we will continue to help them, as we have with the two experts we have supplied so far. I think what they require in the beginning is some technical assistance, more than capital assistance.

Q. How does our proposed assistance to Ghana compare with that of other western powers?—A. I do not think we have any basis for comparing these. I have never seen any figures.

Mr. GREY: Mr. Chairman, this is, I think, a good deal smaller than the United Kingdom, and I think the United States program is already significantly larger than the Canadian program, but, as it was presented in the House of Commons, we have introduced an interim arrangement. After further experience, when we have used some of this money to meet current demands, we will be in a position to consider whether there are things that Canada can do that Ghana needs and try to make a judgment, at a later date, on the size of the program. We are still working in the very preliminary stage.

Q. The extent of our assistance to the West Indies is about two individuals, is that it?—A. No, we have sent five experts and two are now to go, so that would be a total of seven.

Q. But you have in mind supplying a ship for inter-island service. The ship is going to cost around \$1,280,000, according to this statement?—A. \$1,250,000 has been allocated.

Q. In view of the fact that the Canadian government has announced the proposed sale of some of its Canadian National fleet, would it not be possible

to work out some arrangement there that would be as effective and cost less?—A. Well, actually, this is in a very preliminary stage. The Department of Transport have sent technical personnel down to the West Indies. They have discussed with the West Indies the kind of ship that is required. When the ship has been designed, which is some little distance away, then I think we will lean upon the Department of Transport to decide what the best means of procurement is, whether to buy a ship, or to build a ship.

Q. In the meantime, I suggest you show your characteristic ingenuity and look into that feature, and see if you cannot save some money here.

The CHAIRMAN: Before we get into this Ghana, West Indies business too much, let us clean up the Colombo plan.

Mr. MARTIN (*Essex East*): This is Colombo plan.

The CHAIRMAN: They are separate votes.

Mr. MARTIN (*Essex East*): Excuse me, you are right.

By Mr. Crestohl:

Q. You spoke of our aid providing capital projects and technical assistance. Early in your report you indicate that India has requested some diversion of some of these funds into raw materials. Can you tell us to what extent there has been that diversion, and if it is likely to continue?—A. I think I mentioned in the statement that it is a well known fact that the Indian government is in a difficult fiscal situation.

Q. Are we not moving away a little from the original purpose of providing technical assistance for capital projects in providing these raw materials?—A. Well!

Q. I am not critical of it; I just want to get it into proper focus.—A. The objective is to aid a country as best we can.

But there is something which was not mentioned. In the case of these commodities, as in the case of wheat, the receiving country is required to set up a counterpart fund of an equivalent amount in local currency which, according to agreement between the receiving country and ourselves, is devoted to some capital project, to some mutually agreed upon project. So that in actual fact the thing works both ways.

Q. Unless we are careful, we may expend the capital on raw materials whereas our real objective is that of capital projects and technical assistance.—A. I think that this objective has been kept in mind.

By Mr. Kucherepa:

Q. You mentioned \$11 million in connection with the value of these three items, copper, aluminum, and nickel. What part of that went to India?—A. The Indian program last year was about \$23 million, less than 50 per cent was in commodities.

The CHAIRMAN: Are there any further questions on the Colombo plan?

Mr. GARLAND: I wonder if any of the officials could give us any precise information as to the degree of assistance which has been given to these Colombo plan countries by the communist world.

The CHAIRMAN: Mr. Garland and gentlemen: Mr. Grey gave us a very interesting explanation of that. I have been waiting ever since to ask Mr. Grey if it would be possible to have that document made available and to have it printed so that all members of the committee might have the benefit of it, so that when members of the committee go back to their constituencies, they would have this statement of the figures to show just what is happening, and what has happened. Would you care to say a word, Mr. Grey?

Mr. GREY: I expect that the statement would provide a useful and comprehensive survey of the flow of aid to under-developed countries.

Mr. GARLAND: I do not want you to cover the same ground twice.

Mr. GREY: I indicated that from this survey it was apparent that the volume of Soviet aid was much less than might be imagined because of the ingenious way in which the Soviets had presented their statistics both for capital as well as other forms of aid.

But this document is a very substantial publication. We might obtain copies of it for each member of the committee through our embassy in Washington, but it would take several weeks. However, they could be made available to you and that would save reprinting it.

Mr. JONES: Would it not serve the purpose of the committee if the document was procured, and from it a breakdown was compiled as to totals, rather than giving you all the details?

Mr. GREY: If I provided you with a copy, you might care to take a look at it and decide what might be most appropriate, Mr. Chairman.

The CHAIRMAN: Then it is agreed.

By Mr. Martin (Essex East):

Q. How much raw material assistance have we given this year?—A. You mean just the metals?

Q. Yes.

By Mr. Pratt:

Q. We were committed to deliver metals monthly up to November, the close of navigation; and the total we delivered was something in the neighbourhood of \$9½ million out of \$10,815,000.—A. India is the only one receiving metals at present.

The CHAIRMAN: I would like to say that we accept the suggestion made by Mr. Gray that he should get in touch with the proper officials in the United States and ask for one copy of that report for each member of this committee. Agreed.

Are there any other questions in connection with the Colombo plan?

Mr. MARTIN (*Essex East*): Your present budget is \$34½ million.

The CHAIRMAN: It is \$35 million this year; there has been an increase of \$600,000.

By Mr. Martin (Essex East):

Q. Some people in Canada argue that we do too much while others argue that we do not do enough. Could we properly and constructively spend much more?—A. I think the only way I can truthfully answer you is by saying that up to now, whenever there has been an increase, we have always been able to spend it.

Q. Some countries however do not take full advantage of it.—A. That is true.

Mr. SMITH (*Calgary South*): I think it is a matter of government policy, Mr. Chairman.

Mr. MARTIN (*Essex East*): My question was not whether we should spend more, but rather: whether we could properly and constructively spend more?

We could easily spend another \$100,000 a year over a ten year period, bringing it up to an additional \$1 million.

Do you think that would be a practical suggestion for the Colombo plan, to spend \$100,000 a year—as the present Prime Minister has proposed in the

House of Commons from time to time that our Colombo plan program was not sufficient and that we might spend another \$100,000 a year more which would lead up to a ten year objective of an additional \$1 million. Do you think that is a practical suggestion?

Mr. ARGUE: \$1 million, to be spent at the rate of \$100,000 a year?

By Mr. Martin (Essex East):

Q. That is right.—A. I think as our Colombo plan program has grown on that basis, a gradual growth of that kind has always, so far, been possible.

By Mr. Kucherepa:

Q. Are there any major requests being made by countries not in this plan which are not being fulfilled?—A. The point is that the receiving countries have a pretty good idea. They know our total budget and they know about how much they are likely to get out of that total budget, so they submit their requests keeping that fact in mind.

By Mr. Argue:

Q. Would they make a request for further amounts to you or to the government? Mr. Nehru might travel around the country trying to raise $\frac{1}{2}$ billion. He might ask the Colombo plan for more money, but if there is no more money there then the governments involved would have to make something available.—A. I think what you have in mind is that certainly it would be asked on a government to government basis. I think the request would be put to the government.

Q. Mr. Cavell told the committee last year that there really was no limit to the amount of capital and technical assistance that a country like India could use. I think that is in the record.—A. I think that statement is true.

By Mr. Fairfield:

Q. Is it not limited because, as the witness stated, the government of India has to put up an equivalent amount of its own money as this money is advanced? And as he said before, they are under serious stress in financing themselves under this Colombo plan?—A. There is that qualification there in theory. Even India, which is the most developed of the under-developed countries, can at a given time only use a certain amount of aid; in practical terms there must be a limitation on it, because in each case they have to make a contribution of their own.

They are hampered to some degree, and in some cases to a very substantial degree, by the availability of technical personnel, by their own public administration, and so on. But in theory, they could use a very large amount.

By Mr. Garland:

Q. I wonder what actual yardsticks are used to determine if our degree of assistance is adequate? What actual yardsticks are used?—A. You mean as to how effective it has been?

Q. Yes.—A. There are no real yardsticks for it. What we do is to watch the development of the capital projects and see how effective the technical assistance becomes as it is absorbed by its own country.

In certain instances it is fairly apparent; for example: when a hydro-electric project is erected to supply power in a power short area, we watch to see if the power is being usefully employed. Obviously this would be a pretty clear example of aid which is being effective.

But it is not always so clear with other types of projects. It may take a longer time to see the culmination of the kind of thing we are doing. I do not think there is any clear rule of thumb which we can employ.

By Mr. Martin (Essex East):

Q. Is there not another consideration we must bear in mind? At the present time about two-thirds of our assistance goes to India. The reason for it is that India was one of the first countries to participate.

But if we want to widen our assistance to other countries, we may be forced to restrict our assistance except to those countries which probably have more than other countries in either south or southeast Asia.—A. All the countries of south and southeast Asia now belong to the Colombo plan. But it is certainly true that some of the less developed countries have not got around to formulating requests for aid.

But when they do build up—and to keep the “old customers” at the level we have got them—then I think it would probably be necessary to do what you suggest.

By Mr. Argue:

Q. Do you know of any other countries which have requested aid such as this, or which would seem to be interested in getting aid provided under the Colombo plan?—A. You mean countries outside the Colombo plan area?

Q. Yes.—A. I think everybody would join, if he could.

Q. The Middle East?—A. We have not been approached in this area, and I do not know if External Affairs have been approached either.

Mr. MARTIN (*Essex East*): I think in regard to the Middle East, it is a very important question and it is one of policy.

Mr. ARGUE: I wondered if other countries had asked for this, and the answer given was no.

The CHAIRMAN: I think what Mr. Martin had in mind in his question a moment ago was the idea that there is a limit to what we, as Canadians, can do, and that possibly the aid we have extended to India might be reduced in proportion to the aid that might be extended to some of the new nations of Africa.

Mr. MARTIN (*Essex East*): I do not think that I want to be known as suggesting that we reduce our aid to India. I think the aid that we give to India is very necessary.

The officers of this project in their recommendations to the government, I am sure, have to bear in mind that India is a larger beneficiary for the reasons stated than other countries which have equally great needs.

One of the purposes of the whole Colombo plan organization is that Canada, in cooperation with other countries, may give assistance to countries which need great assistance.

For instance, consider the terrible situation in a country such as Laos where the number of doctors for over 1½ million people may be counted on your ten fingers. That is a pretty serious situation.

And when you compare that with the needs of a country like India, Laos would have a pretty high claim. But it is not that we want to reduce one in preference to another. It is just to look at the problem as objectively as possible. That is all I have in mind.

The CHAIRMAN: I do think that we, the elected representatives of the taxpayers, find it so easy to be generous with other people's money. Let us not forget that.

Mr. SMITH (*Calgary South*): That is the old equation of “how much is enough”?

The CHAIRMAN: Yes. I think we want to keep our feet on the ground in this matter.

Mr. MARTIN (*Essex East*): You would be the first to agree because of your very generous and responsible manner in this case, and I say that very sincerely, Mr. Chairman.

Mr. ARGUE mentioned the problem of the Middle East, but we are not pursuing it with these officials. That would be an unfair thing to do.

I think that we have to recognize that in the kind of world in which we are living countries like Canada cannot escape the responsibility of trying to share some of our know how and some of our economic resources with countries that are less developed, and no matter how great a burden this may put on us, this is an increasing responsibility that we cannot escape.

The CHAIRMAN: I think that is a view held by the vast majority of Canadians.

Mr. MARTIN (*Essex East*): I am sure of that.

Mr. ARGUE: The chairman has said that it is pretty easy to be generous with someone else's money, and that is true. I believe that Canadian people themselves feel that our nation should be more generous in regard to plans such as this. I think we should keep in perspective the things that we have done as a result of this program. We should keep in mind that we have been providing slightly more than one tenth of one per cent of the gross national product of this country. I know that we have done a few other things, but this is the main program in this field.

I for one think that the Canadian people, by a very great majority, would support any move for substantially increasing the amount of money voted for the Colombo plan and other similar programs of economic aid.

Most Canadian people are generous because they like to help people who are in adverse circumstances, but they are also generous because I think they feel that it would be a good investment for Canada and for the west, as well as for democracy.

I for one would express the hope that this government would move soon to increase the estimates under the Colombo plan.

I am prepared to say that any such move would receive the unanimous support of the Canadian House of Commons.

Mr. SMITH (*Calgary South*): Mr. Chairman, I realize that it is wrong for members of a committee to question one another and I appreciate that. However, I wonder, in view of Mr. Argue's statement, would he give us the benefit of his advice in suggesting how much is enough.

Mr. ARGUE: I should be very pleased to do so.

Our political party said a couple of weeks ago that it was our opinion that the Canadian people should provide not less than one per cent of the gross national product of this country for economical development. That would represent \$1 out of \$100. That contribution would amount to, depending on whether or not Mr. Fleming is right, and whether the famous economic report is right, something in the neighbourhood of \$320 million per year.

If I had been considering an amendment to that amount, I would have asked that it be increased to perhaps 10 per cent.

Mr. JONES: I think perhaps, Mr. Chairman, that sometimes when we are discussing specific plans such as the Colombo plan we forget that we are also involved in other plans.

The Under-Secretary of State for the Department of External Affairs indicated the other day that between 1945 and 1958 this country had provided financial assistance abroad to the extent of \$4,360 million.

Mr. ARGUE: That was mostly military aid.

Mr. JONES: It does not matter whether it is military aid or not.

Mr. ARGUE: I am talking about economic aid.

Mr. JONES: This still represents aid—whether it is military or otherwise—which is going abroad from this country. I do suggest that, although all Canadians certainly would like to see other countries of the world brought up to our living standard and desire to contribute toward that end we have to consider our aid in total terms. It is in that spirit that I interject to point out that we have, as a fact, since 1945 given financial aid to the tune of nearly \$4½ billion.

Mr. ARGUE: I repeat that most of this was military aid, and that a substantial portion of it was made in the way of loans.

Mr. SMITH (*Calgary South*): I withdraw my question, Mr. Chairman.

Mr. ARGUE: We have not just been giving economic aid.

The CHAIRMAN: I do not think we should lose sight of the fact that over 30 cents of every dollar that every Canadian earns is removed in taxes.

Mr. ARGUE: And some of that comes back in the way of family allowances, old age pensions and freight subsidies on feed grains.

Mr. JONES: Just to clear up this point—

Mr. VIVIAN: Mr. Chairman, what are we talking about?

Mr. JONES: I wonder if we could proceed now to our consideration of the technical assistance program in relation to the West Indies and Ghana?

By Mr. Martin (Essex East):

Q. Just before we move to that consideration I should like to say that there has been a project on tap for some time to provide technical staff—I think mostly teachers and lab equipment—to the new university of Dalat. How much money is involved in this and where does this project stand at this time?—A. We have provided, out of the 1957-1958 program, \$5,000 for laboratory equipment for the university of Dalat.

Q. What can you say about teachers in this regard?—A. I do not think that so far there has been any movement in that regard. There has been no request for teachers. We stand ready to recruit French speaking teachers for them if we are asked to do so. We have made this known to them.

Mr. CRESTOHL: Mr. Chairman, just to revert for a moment to what Mr. Argue has suggested, are we to understand that his proposal would be in the form that Canada should revert to the old Biblical giving of tithes to the under privileged countries?

Mr. ARGUE: I thought the tithes were 10 per cent. You are now getting a little outside of this field.

Mr. CRESTOHL: You intended to use one per cent of our national income or national product. That might not measure up to the full ten per cent but it would be a beginning yardstick.

Mr. ARGUE: We thought it would be a good start. I would not be satisfied personally when we had reached one per cent, especially when we can spend \$1,800 million on national defence.

Mr. CRESTOHL: Do we intend to make a legal move, or a suggestion by legislation of some form to support the project?

Mr. ARGUE: If you are burdened with this problem.

Mr. SMITH (*Calgary South*): Mr. Chairman, having withdrawn my question, I suggest that we now move to an examination of the witnesses.

Mr. JONES: I think we are getting out of order.

By Mr. Martin (Essex East):

Q. Mr. Chairman, do you think that we have had a sufficient statement from the director in regard to the intention for the coming fiscal year? I am

just wondering if our intention has been directed to your program for the actual fiscal year?—A. I think it was mentioned in the Under-Secretary of State's statement that negotiations are going on between our missions abroad and the receiving countries. This is being worked out. We have not yet arrived at a firm program for 1958-59.

Q. Where is the next Colombo plan conference?—A. At Seattle, Washington.

Q. It is being held in Seattle?—A. It is being held in Seattle, in the great west.

Q. I suppose Mr. Smith will go to that one.

The CHAIRMAN: Gentlemen, shall we move to a consideration of the West Indies now?

Mr. Martin has asked a couple of questions regarding the West Indies program. Are there any other questions?

By Mr. Jones:

Q. Mr. Chairman, I was wondering if we could be informed as to the needs of Ghana, as indicated, in connection with technical assistance. Has Ghana indicated a desire for receipt of technical assistance? I presume that she has.—A. We have so far, Mr. Jones, provided two technical experts as I mentioned in my statement; one is an R.C.M.P. officer and the other is a gold mining legislation expert.

As we receive other requests for technical experts we will do our very best to fill them.

As I have also mentioned in my report, if in the next academic year they wish to have people trained in Canada, we will be glad to try to accommodate them in this respect.

Q. In other words we have not received any other requests than those which you have indicated in your report?—A. We have agreed to bring two medical students to Canada.

Mr. BARTLETT: We have agreed to bring two medical students and a student of veterinary science for training in Canada. That is all they have asked us so far.

The Ghana program is very young. These people do not really know the sort of things that they can look to us for. We expect that this program will grow.

By Mr. Fairfield:

Q. Have we received any other requests from any other African states?—A. There is no aid program to operate within, in that regard, Mr. Fairfield.

There is an aid program in respect of Ghana. There is an aid program in respect of the West Indies. Those are the only aid programs besides the Colombo plan with Canada as a donor.

By Mr. Martin (Essex East):

Q. Mr. Chairman, one useful thing that we could do after we have listened to these witnesses, is to consider whether or not, in our view, the Colombo plan is the best instrument—I am not questioning it—for assistance, following along beside the United Nations technical assistance program, or whether the program should be funnelled through the United Nations. We, as a committee, might do a useful job in that regard. This would perhaps entail an examination of other witnesses from the Department of External Affairs, but this last question prompts that in my mind.

Some of the United Nations people think that is the way this should be done.

I realize that there are reasons for maintaining the Colombo plan technique and instrumentality, but I think this is something we could usefully consider. We might possibly even make recommendations.

I do not think that this is a fair question to put to this witness, of course.—A. The only comment I can make in that regard, Mr. Martin, would be that the preference of the Colombo plan countries has always been for bilateral aid.

Q. That is right.

Mr. VIVIAN: Mr. Chairman, in regard to the matter of medical students coming to this country from Ghana, may I ask where they are going and how much money is being provided for them while they are here?

Mr. BARTLETT: The arrangements in this regard are not firm. We have approached the university of Toronto and we think these students will probably be accepted there.

The old problem with regard to the standards of secondary education is involved here.

While these students are undergraduates, they get their fees paid and \$140 per month and a small outfit allowance.

Mr. VIVIAN: Do they receive transportation?

Mr. BARTLETT: They receive transportation, that is right.

Mr. MARTIN (*Essex East*): They will be attending the best university as well.

Mr. VIVIAN: As a graduate of the university, I might agree with you.

Mr. SMITH (*Calgary South*): I hope you will notice where the scholarship was awarded, though.

By Mr. Vivian:

Q. Mr. Chairman, I have one other question in regard to the West Indies.

I notice at the bottom of page 9 there is a reference to the type of work which would be undertaken in the form of technical assistance. This is a matter of experts coming to or going from Canada to the West Indies. My question in that regard is this; in this connection what is the state of the development of the university in the British West Indies itself? Inasmuch as this is a plan designed to help people help themselves, will there be a relationship between our technical assistance personnel and that university?—A. I think Mr. Bartlett might comment in this regard.

Mr. BARTLETT: In regard to the state of the university, first of all, this is a small university but a good one. They have an arts faculty, a medical but they have no engineering faculty.

This is a new university established since the war as a result of the report of a royal commission during the war.

As far as our relationship with this university is concerned, it must in the first instance be with the federal government of the West Indies. We certainly would be interested in giving any support that that government asked for in the development of the university.

There has been some informal discussions in this regard, and there was a suggestion that we could send teaching personnel, and so on.

Mr. VIVIAN: That is what I was interested in. Has anything come of that suggestion?

Mr. BARTLETT: Not yet, but there has hardly been time.

Mr. VIVIAN: There has been nothing happen yet?

Mr. BARTLETT: No.

The WITNESS: We stand ready to do this if we are asked to.

Item agreed to.

The WITNESS: Mr. Chairman, there is one point in regard to a question asked of the Under-Secretary of State which was deferred on which I think perhaps Mr. Bartlett could make a statement.

Mr. BARTLETT: Mr. Chairman, I do not know whether this is the proper time to raise this, but I should like to deal briefly with a question that was left with Mr. Matthews yesterday. This question had to do with the record of Canadians serving abroad with the United Nations expanded program agencies.

I just heard of this question this morning unfortunately, and I do not know that we have anything which would give a complete up to date list of the number of Canadians serving abroad with these agencies.

These people are employed by the agencies and not by the Government of Canada. As a result of that, while we do have some records, our records are incomplete.

On the last part of this statistical summary there is a list of the statistics as we have them having regard to where the people are, with what agencies they are and what the historical picture has been.

I could certainly give you a complete list of the Colombo plan people abroad if that would be satisfactory.

If a member of this committee is interested in a particular individual serving with one of the United Nations agencies, I think we could track him down.

The CHAIRMAN: Does that answer your question, Doctor Vivian?

Mr. SMITH (*Calgary South*): That was not my question, Mr. Chairman, but I would specifically like to know the number of economical advisers employed by the embassy in Washington.

Mr. GREY: I do not think this is a question with regard to the Colomobo plan, Mr. Chairman.

Mr. SMITH (*Calgary South*): I have sent this question to the minister in any event.

Mr. JONES: Are we going to consider the International Joint Commission this afternoon, Mr. Chairman?

The CHAIRMAN: We sent out a notice for a meeting at 3.30 this afternoon. I expected that the officials of the International Joint Commission would be available. However, if those people are not available we will send out a cancellation.

Thank you, gentlemen.

"APPENDIX A"

CANADIAN COLOMBO PLAN CAPITAL AID PROJECTS

as at March 31, 1958

(Excluding Technical Assistance, Student Training,
Cost of Experts, etc.)

Prepared by

INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION DIVISION

Department of Trade and Commerce

"COLOMBO PLAN ADMINISTRATION IN CANADA"

Item No. INDIA—1951-52 Allocations

1. *Wheat*—Project No. 1—F.E. No. 5/1/52—Allocation, \$10,000,000.

The objective of the Colombo Plan has always been to endeavour to help make South East Asian countries self-sustaining, particularly with regard to food. Nevertheless, when famine strikes and there are disastrous food shortages, long term objectives must necessarily give way to measures necessary to meet severe famine conditions. Under those circumstances this project was entered into at the urgent request of India, our Commonwealth partner. It was agreed that India would set up a counterpart fund in rupees and that those rupees would be used to further some worthwhile permanent project. The Mayurakshi Project in West Bengal was chosen. It is an irrigation and electrical generation project designed to make possible the growth of about 400,000 tons of food by irrigation from the dam. This will be a major contribution to alleviating recurrent Indian food shortages. The Mayurakshi dam will also control a particularly unruly river which has caused much damage to peasant villages in the past.

Project completed 1 March, 1952.

2. *Bombay State Transport*—Project No. 3—F.E. No. 30/6/52—Allocation, \$4,352,775.

The objective of this project was to provide much needed transportation to Bombay State which had created a Bombay State Transport Commission but had no capital to finance it. The Central Government at Delhi requested this aid as assistance to the peasants and poor cultivators in Bombay to enable them to reach their markets and thus facilitate food distribution in the province, as well as to provide assistance in clearing wheat and other commodities from the port of Bombay. There is a critical deficiency of transport of all kinds in India. This has contributed to famine conditions since it is as vital to be able to move food as it is to have food to move.

Project completed July, 1954.

3. *Mayurakshi (Hydro-Irrigation)*—Project No. 6—F.E. No. 1951-52—Allocation, \$500,000 (partial).

This project was a first contribution to Canada's undertaking to supply the electrical generating equipment to the Mayurakshi project (see item No. 1 above). This generating equipment was required for electricity for cottage industries, the objective being to balance the economy

Item No.

of the area by the introduction of cottage industry and small factories. The Government of West Bengal has a well integrated scheme of cottage industry development which can use to maximum advantage the 4,000 K.W. of power generated by Mayurakshi. This project was opened by the former Minister of External Affairs, the Honourable Lester B. Pearson, on November 8th, 1955, and completed November 1956. It is now known as the "Canada Dam".

Project completed November 1956.

INDIA—1952-53 Allocations

4. *Mayurakshi*—Project No. 6—F.E. No. 0802-1376-0414—Allocation, \$2,021,075.

See items 1 and 3. This is the final allotment to the project.

Project completed November, 1956.

5. *Wheat*—Project No. 8—F.E. No. 1/6/53—Allocation, \$5,000,000.

This contribution was made for exactly the same reasons as stated under item No. 1 (1951-52) and the counterpart funds generated were also devoted to the Mayurakshi project.

Project completed January, 1953.

6. *Locomotive Boilers*—Project No. 11—F.E. No. 1390-2535—Allocation, \$1,815,522.

Fifty boilers were provided. They were urgently required to help out the Government of India's steam locomotive building program which was bogged down because boiler plate, etc. could not be obtained. These boilers removed a bottleneck which had developed in the government locomotive works at Calcutta and enabled 50 Indian built engines which were urgently needed to be put into service.

Project completed October, 1954.

INDIA—1953-54 Allocations

7. *Steam Locomotives*—Project No. 16—F.E. No. 1213—Allocation, \$11,000,000.

The Government of India is undertaking a very necessary rehabilitation of its railway system which is fundamental to the economy of the whole country. The railways were run almost to a standstill during the last war. To assist with this rehabilitation, India asked Canada for 120 W.P. type Steam Locomotives. Together with spare boilers, inspection services, etc., they cost about \$21,315,062 in total. \$11,000,000 of this cost was met from 1953-54 Colombo Plan funds and the balance from the appropriation for 1954-55.

Project completed 20 July, 1956.

8. *Commodities*—Project No. 20—F.E. No. 2538—Allocation, \$5,000,000.

We must bear in mind that with every project to which aid is given, whether under the Colombo Plan or by the United States or the United Nations, rupee capital has to be put up by the countries in the area. Owing to the great effort she is making, India particularly has become very short of such rupee capital and has requested that Canada supply her with commodities which she can sell to her own manufacturers and thus generate rupee counterpart funds. The commodities chosen were

Item No.

copper and aluminum and a special purchasing scheme has been worked out under which the regular trade channels will not be disrupted. The rupee counterpart funds realized to date from the sale of the above commodities have been allotted to the Umtru Hydro-electric scheme in the amount of \$2,100,000, and the Canada-India Atomic Reactor project in the amount of \$2,900,000.

9. *Umtru (Hydro-Electric)*—Project No. 19—F.E. No. 1047-1444-2539—Allocation, \$1,201,956.

India is considerably concerned about the welfare of the hill tribesmen and other inhabitants of Assam where the standard of living is extremely low. It was agreed that the first requisite was power for the development of a fruit canning and preserve making industry and for other similar small industries, mostly to absorb the agricultural products of the State, and for irrigation pumping. The project was examined and pronounced sound by Canadian consulting engineers. Canada's contribution will be \$1,201,956, to be spent on electrical generating equipment, control gates, etc. which, together with the rupee counterpart funds allotted to this project from the sale of copper and aluminum, will make an overall total of roughly \$3,300,000.

(Project completed July, 1957.)

INDIA—1954-55 Allocations

10. *Steam Locomotives*—Project No. 16—F.E. No. 1213—Allocation, \$10,470,000.

For details see item No. 7.

Project completed 20 July, 1956.

11. *Diesel Electric Generating Sets*—Project No. 42—F.E. No. 3093-3074—Allocation, \$3,003,000.

Under India's Five Year Plans, an attempt is being made to substantially increase the power resources of the country. This project will give aid to that endeavour in areas where major power undertakings are not yet possible. The power from these units will be used for rice and other small food processing plants, for agricultural pumping and other aids to the betterment of general living conditions. As major power installation schemes take over, these sets will be moved to villages still without power.

12. *Biological Control Station—Bangalore*—Project No. 52—F.E. No. 2619—Allocation, \$38,355.

Following a survey made in 1952 it was decided to assist with the establishment of a scientific station in Bangalore to be operated by the Commonwealth Institute of Biological Control, acting as the agent of the Government of India. The station will undertake research into the control of insect pests and weeds by biological (as opposed to chemical) methods. A similar station was established in Rawalpindi, Pakistan, and is shown separately in this summary (see Pakistan Item No. 18).

Project completed 1957.

13. *Film Kits*—Project No. 66—F.E. 3098—Allocation, \$275.

A small quantity of films and film strips was provided for instruction in geology, geophysics and topography. These visual aids were

Item No.

presented by our High Commissioner in New Delhi to the Minister of National Resources and Scientific Research in the Indian Government.

Project completed August 1956.

INDIA—1955-56 Allocations

14. *Canada-India Atomic Reactor*—(NRX Type)—Project No. 43—F.E. No. 2813-2815—Allocation, \$135,000.—(Preliminary expenses only) (See also item 19)

In considering their power development, the various governments of South East Asia have for a long time been investigating the possibilities of atomic power. There is no doubt that in many areas atomic power will be a great boon since even where there are possible hydro-electric sites, these are not always situated in locations where it would be advantageous to develop industry. However the use of atomic power is not something which can be undertaken without a very considerable and carefully trained scientific force. The instrument for this training in the peaceful uses of atomic energy will be the Canada-India Reactor. India has agreed to train the nationals of other countries in South East Asia as well as her own and to give them the necessary experience. The production of isotopes for radiography and other purposes will assist India's development plans.

15. *Locust Control*—Project No. 44—F.E. No. 51-52 Funds—Allocation, \$135,685. (From unexpended funds—Project No. 3)

One of the great scourges of Asia through the centuries has been ravages of the locust. FAO has now taken hold of this problem and has tried to organize it on a scientific basis, which entails exterminating the locusts where they breed rather than in the individual countries which they ravage. India applied for aid from Canada to do her share in this campaign which is actually being carried out in Saudi Arabia. Canada's contribution consists of Canadian-made trucks with two-way radio equipment. When the operations are completed in Saudi Arabia these trucks and the Indian teams that man them will return to India and help to mop up the locusts there.

Project completed March, 1956.

16. *Kundah Hydro-electric Project, Madras*—Project No. 45—F.E. No. 2786—Allocation, \$13,000,000. (See also item 21)

The State of Madras Electricity Board some years ago, under the direction of Sir Henry Howard, a Canadian now retired, had drawn up a plan for hydro-electric development throughout the State. The two hydro-electric stations in the Kundah area of the Nilgiri Hills are part of this original scheme. The civil works at Kundah are being undertaken by the Madras Electricity Engineering Branch. Canada in cooperation with the Madras engineers has prepared specifications for the electrical generating and related equipment, which is being manufactured in Canada. At present hydro power is rationed in Madras, and power from this new source is badly needed. The total capacity of these two plants will find an immediate market to meet existing demand from industry and for rural development.

Item No.

17. *Pest Control*—Project No. 47—F.E. No. 2800—Allocation, \$160,000. One of the inhibiting factors in growing more food in India is the great number and variety of pests which attack food crops. FAO and other aid organizations have been much concerned with pest control programmes. Two Beaver aircraft equipped with spraying and dusting equipment were supplied in response to a request for aid in this field from Canada. Project completed October 1956.
18. *Airborne Magnetometer Survey*—Project No. 48—F.E. No. 2801—Allocation, \$125,000. (See also item 20). It is vitally necessary that India develop its potential oil resources. This project is to aid in that endeavour. Magnetometer Surveys were undertaken in West Rajasthan and the Indo-Gangetic Plain by a Canadian Aerial Survey Company, the work has been completed and the reports presented to India for implementation. Project completed June 1957.

INDIA—1956-57 Allocations

19. *Canada-India Atomic Reactor (NRX type)*—Project No. 43—F.E. No. 2813-2815—Allocation, \$5,000,000. (This allocation includes the \$135,000 shown against item 14). See item 14, Project No. 43. The Government of India asked Canada to provide an NRX Type Reactor. An agreement between the Governments of India and Canada was signed on April 28, 1956, and a contract was placed with Atomic Energy of Canada Ltd. for the supply of the reactor. Rupee counterpart funds in the amount of \$2,900,000. from the sale of copper and aluminum have been allocated to this project.
20. *Airborne Magnetometer Survey*—Project No. 48.—F.E. No. 2801-1—Allocation, \$132,060. These additional funds were an adjustment to F.E. No. 2801. Project completed June, 1957.
21. *Kundah Hydro-electric Project, Madras*—Project No. 45—F.E. No. 2786—Allocation, \$7,000,000. These additional funds were an adjustment to F.E. No. 2786. (See item 16.)

INDIA—1957-58 Allocations

22. *Audio-visual Training Aids and Equipment Co-Operative Movement Training Centres.*—Project No. 70—F.E. No. 3361—Allocation, \$65,000. Canada undertook to assist the co-operative training scheme in India by shipping instructional films and film strips, projectors, transformers and library books to the thirteen major co-operative centers recently established.—Shipments are expected to be completed by May 1958.
23. *Wheat*—Project No. 79—F.E. No. 3370—Allocation, \$2,000,000. In order to assist India in overcoming an acute grain shortage and at the same time to provide rupee counterpart funds to meet local costs of Colombo Plan Projects, this shipment of wheat was arranged for by the Government of India and the Government of Canada. Project completed December 1957.

Item No.

24. *Commodities*—Project No. 81—F.E. No. 3393—Allocation, \$10,815,000.
In a continuing effort to assist India to provide her factories and manufacturing plants with copper and aluminum, which are in very short supply due to the lack of foreign exchange and at the same time to establish rupee counterpart funds to meet the local costs of other Colombo Plan Projects, a special purchasing scheme was entered into through regular trade channels to provide these commodities. Approximately $\frac{1}{3}$ th of this allocation had been shipped by 31 March 1958.
25. *Railway Ties*—Project No. 82—F.E. 3392—Allocation, \$3,000,000.
As one of the basic economic problems of India is the lack of transportation facilities, Canada helped to overcome this deficiency by providing locomotives and locomotive boilers for the Indian Railway System. (See items 6 and 7).
As a further aid to Indian transportation assistance is being given by Canada in the form of treated wooden railway ties which are readily available from Canadian suppliers.
26. *Three Cobalt Beam Therapy Units*—Project No. 87—F.E. No. 3418—Allocation, \$120,000.
To assist India in the development of her Cancer Clinic Programme, Canada was asked to supply Cobalt Beam Therapy Units under the auspices of the Colombo Plan. Three units were decided upon which will be shipped to the following institutions:
1—Eldorado Model "A" unit to the Tata Memorial Cancer Hospital, Bombay, 1—Eldorado Model "A" unit to the Chittaranjan Cancer Hospital, Calcutta, and a smaller unit, (a Theratron Junior Model "C" Unit) to the Christian Medical College—Ludhiana—India.
27. *Cobalt Therapy Unit Source*—Project No. 90—Allocation, \$8,000.
As the Cancer Institute in Madras has a Cobalt Therapy Unit with a very weak source which is incapable of undertaking the work which the unit is called upon to do, the Government of India requested Canada to supply this clinic with a stronger source which will be shipped to Madras at an early date.
28. *Biological Control Station—Bangalore*.—Project No. 52—Allocation, \$7,668.
This allocation is to complete the obligation undertaken as indicated in Item 12. Project completed.
29. *Kundah Hydro-Electric Project—Transmission Line*—Project No. 45—F.E. No. 2786—Allocation, \$5,000,000.
This allocation is provided as an extension to the Kundah Hydro-Electric Project (Items 16 and 21) and to meet the external costs of the transmission line required to link the Kundah Generating Plants to the Madras State transmission grid.
30. *Canada-India Atomic Reactor (NRX Type)*—Project No. 43—F.E. No. 2815—Allocation, \$2,000,000.
This is a continuation of the project outlined in item 14. The allocation is required to meet current expenditures as anticipated in the intergovernmental agreement entered into on April 28, 1956. See also item 19).

PAKISTAN—1951-52 Allocations

Item No.

1. *Cement Plant*—Project No. 5—F.E. No. 1324—Allocation, \$5,000,000.
The objective of this project was to provide cement (for house construction, irrigation canal lining and other purposes) to the Thal refugee area in the North West Punjab where Pakistan is settling many of its 7,000,000 refugees displaced after the partition of India and Pakistan. Water is carried in from the Indus in cement ducts, housing will have to be provided on a large scale, villages and bazaars built, etc. The distance from Karachi to the Thal and the difficulties of transport are so great that the movement of large quantities of cement to the area would be extremely costly. Fortunately cement making materials were found in abundance, likewise coal, and the most practical solution came to be the building of a cement plant in the area itself, to which Canada agreed to contribute the engineering design and supervision and cement making machinery, Pakistan to build the building to house it. This plant was completed in 1957 and is producing 100,000 tons a year. (See also Items 7, 15 and 27).

Project completed January 1957.

2. *Railway Ties*—Project No. 4—F.E. No. 21/1/55—Allocation, \$2,770,490.
The International Bank for Reconstruction and Development made Pakistan a loan for the urgently needed rehabilitation of her railways. Pakistan is dieselizing her railway system and the loan was not big enough to pay for the large number of wooden railway ties needed for the rebuilding of many miles of track to take the larger diesels. Canada agreed to supply this deficiency as a fundamental contribution to the economy of the country. The ties were obtained on the West Coast of Canada.

Project completed April, 1954.

3. *Aerial Resources Survey*—Project No. 12—F.E. No. 842—Allocation, \$2,000,000.

West Pakistan had never been fully surveyed, and since Pakistan must develop an industrial balance to its present agricultural economy, it was vital that a proper resources survey be made. Canada agreed to do this through the medium of a well established Canadian air survey company. The Government of Pakistan considers this a most valuable project and basic to the economic growth of the country. Canadian geologists worked in the most likely areas discovered by the survey and later (see item 9) a land-use survey was added.

(This part of project complete. Work continued under Project No. 35 Item No. 9 See also items 16, 25 and 34).

4. *Thal Experimental Farm*—Project No. 2—F.E. No. 22/1/52—Allocation, \$200,000.

The development of this farm was a joint effort between Australia, New Zealand and Canada. Its objective was to provide refugee settlers (see "Cement Plant" No. 1 above) with draft, milk and other animals to carry out agricultural experiments, to supply the best type of seed for the area, and in general to have a research station for the benefit of these refugees. Canada's contribution was agricultural machinery, a small amount of equipment and some experts under the Technical Assistance scheme.

Project completed May 1956.

PAKISTAN—1952-53 Allocations

Item No.

5. *Wheat*—Project No. 7—F.E. No. 0336—Allocation, \$5,000,000.

Pakistan experienced a severe famine and requested aid from Canada. The same arrangements were made as with India (item 1) and wheat was supplied to the amount stated with the stipulation that counter-part funds in rupees must be set up to be devoted to a worthwhile project mutually agreed upon. Canada also made a contribution of five million dollars worth of wheat outside of and in addition to Colombo Plan aid.

Project completed December, 1952.

6. *Warsak*—Project No. 22—F.E. No. 0802-2509—Allocation, \$3,421,762.

Warsak is an electrical generation and irrigation project 19 miles from Peshawar on the North West Frontier of Pakistan. The endeavour to turn the unruly tribes of this Frontier into law abiding and self-sustaining citizens was a British problem for several hundred years. The Pakistan Government, owing in part to the cement of the Moslem faith, has been extremely successful in this endeavour. Relatively speaking, the Frontier is now quiet and law abiding. Schools in considerable numbers are being established. It is now necessary to supply irrigation where it can be used, which in this hill area means a considerable amount of pumping, and to provide power for industry not only in the immediate neighbourhood, but for grid distribution to a wider territory. Power will enable the tribesmen to develop their considerable skills as craftsmen. Canada is contributing the design and supervision, which is being undertaken by one of Canada's leading consulting engineering firms and a Canadian contractor is building the dam, tunnels, power house, etc. Canada is also supplying the electrical generating equipment, control gates and construction plant. About 145 Canadians, some with families, are working at the site. (see also Items 10, 14, 20 and 24).

7. *Cement Plant*—Project No. 5—F.E. No. 1324—Allocation, \$500,000.

This \$500,000. was needed as an addition to the amount provided for the original contract. (See items 1, 15 and 27).

Project completed January, 1957.

8. *Beaver Aircraft*—Project No. 10—F.E. No. 1377—Allocation, \$178,000.

Three Beaver Aircraft were supplied to Pakistan to meet a demand for locust and general pest control. With the "Grow More Food" campaign, which has been a feature of the Pakistan economy for some time, it becomes necessary to control the destruction by locusts and other pests as part of the programme, and a pest control service has been set up by the Pakistan Government to which this gift of spraying and dusting aircraft from Canada will contribute.

Project completed October, 1953.

PAKISTAN—1953-54 Allocations

9. *Aerial Resources Survey*—Project No. 35—F.E. No. 0842—Allocation, \$1,000,000.

Recurrent famines in Pakistan had clearly indicated the need for a review of her available agricultural land from a "land use" point of view, and the production of a "land use" map leading to the development of data of vital importance to the more effective development of her agricultural resources. Since the aircraft which had

Item No.

done the geological portion of the resources survey (see Item No. 3 under 1951-52 above) were still in Pakistan, the Government requested that Canada continue the work from an agricultural land-use and soils point of view. With the addition of this soils survey practically the whole of West Pakistan has been photographed as the following figures show:

	Sq. Miles	Sq. Miles
Area of West Pakistan		306,943
Resources Survey	163,000	
Agricultural Survey	139,500	
Balance of land not surveyed being mountains, cities, etc.	4,443	
Sq. Miles	306,943	306,943

The results of these surveys will it is hoped be available to other aid agencies; to oil company exploration; to agricultural experts and others interested in the development of Pakistan.

(See also Items 3, 16, 25 and 34).

10. *Warsak*—Project No. 22—F.E. No. 2675-2699—Allocation, \$6,000,000. This additional allocation was required for the same project and for the same purposes.
(See also items 14, 20, 24 and 29).

11. *Shadival*—Project No. 38—F.E. No. 2640—Allocation, \$2,507,095.
There is a most unfortunate situation in the Punjab north of Lahore, where a large area has gone out of cultivation due to a rise in the water table, mostly from irrigation canal seepage, which in turn has brought about a condition of soil salinity detrimental to cultivation. The FAO agency of the United Nations had worked out a remedy which was to wash the soil by continuous pumping until the saline condition was overcome and then to regulate irrigation by continual pump control. Canada was asked to assist in supplying a power station to be located on a canal and driven by canal flow. The Canadian contribution involves dewatering and construction equipment, design and supply of the generating and power house equipment. A consulting engineer from Canada examined the project and pronounced it sound. (see also item No. 33).

PAKISTAN—1954-55 Allocations

12. *Ganges-Kobadak*—Project No. 23—F.E. No. 2516—Allocation, \$1,806,343.

Situated in East Pakistan, this project is intended to restore to fertility roughly one million acres of land put out of production by the change in course of the Ganges. This change of course dried up the rivers Mathabhanga; Kumar; Nabaganga; Bhairab; Chitra; and Kobadak. By pumping into their dry beds from a point where the Ganges flows nearest to them, these rivers would in effect become irrigation canals and the large Brahmaputra-Ganges Delta would become fertile again. This would overcome the present rice deficiency and would it is believed put East Pakistan into an exportable surplus position.

Item No.

Canada's contribution to the scheme is a steam thermal plant for the generation of the power to drive the large pumps which would be necessary. This contribution has the advantage that even should the overall scheme fail the power from the Canadian plant would be available for other purposes. Power is urgently needed in this area. This power plant is now nearing completion.—(See also item 31).

13. *Dacca-Chittagong Electric Distributory Link*—Project No. 27—F.E. No. 2522—Allocation, \$4,006,343.

There are now many small power units in East Pakistan which are wasteful in that they power small machines or factories but could produce extra power if there were any means of distributing it on wider scale. Larger units of power production are being introduced and the Karnafuli power development under the American foreign aid program will be a major source of supply. The need for a proper distribution system is vital and we have been asked to help bring one into being. A consulting engineer from Canada examined the scheme and has reported favourably upon it as a major contribution to the economy and power resources of East Pakistan. The Canadian contribution of transmission towers, conductor, etc. is now at the site, erection will be in the autumn of 1958.—(See also item 30).

14. *Warsak*—Project No. 22—F.E. No. 2675-2699—Allocation, \$2,000,000. This additional sum was required to build up the fund necessary for the Warsak project which will be expended over a period of years.—(See also items 6, 10, 20, 24 and 29).

15. *Cement Plant*—Project No. 5—F.E. No. 1324—Allocation, \$1,250,000. This sum was required to make possible an increase in power agreed upon and to strengthen the foundations after careful analysis had revealed much weaker sub-strata than had been expected from earlier soil tests.—(See also items 1, 7 and 27).

Project completed January, 1957.

16. *Aerial Resources Survey*—Project No. 35—F.E. No. 0842-A—Allocation, \$54,800.

The original Aerial Survey Project undertook 50,000 sq. miles of soil survey; we were requested to extend this to 85,000 sq. miles and this additional sum of money took care of this extra 35,000 sq. miles of soil investigation and analysis.—(See also items 3, 9 25 and 34).

17. *Commodities*—Project No. 37—F.E. No. 2668—Allocation, \$1,000,000. The objective of this project was to supply Pakistan with much needed copper and aluminum for the same reason as we agreed to do so for India.—(See item 8, Project No. 20 for India).—Pakistan had built a wire plant but had no copper with which to commence operating it.

18. *Biological Control Station Rawalpindi*.—Project No. 53—F.E. No. 2620—Allocation, \$46,155.

Following a survey made in 1952 it was decided to assist with the establishment of a scientific station in Rawalpindi to be operated by the Commonwealth Institute of Biological Control, acting as the agent of the Government of Pakistan. The station will undertake research into the control of insect pests and weeds by biological (as

Item No.

opposed to chemical) methods. A similar station was established in Bangalore, India, and is shown separately in this summary (see India Item No. 12).

19. *Hatching Eggs and Incubator*.—Project No. 57—F.E. No. 2613—Allocation \$3,106.

In co-operation with the F.A.O. Agency of the United Nations which was assisting in the development of a Pakistan Government Poultry Farm at Landhi, Canada agreed to provide a suitable incubator and a supply of hatching eggs.

Project completed March, 1955.

PAKISTAN—1955-56 Allocations

20. *Warsak*.—Project No. 22—F.E. No. 2675-2699—Allocation, \$7,000,000. This additional sum was required to build up the fund necessary for the Warsak project. (see also items 6, 10, 14, 24 and 29).

21. *Goalpara (Khulna) Thermal Station*.—Project No. 41—F.E. No. 2797—Allocation, \$2,000,000.

There is a great shortage of power in East Pakistan and the jute mill and other factory development is thus considerably handicapped. It was possible to purchase spare standby thermal power plants from the Ontario Hydro-electric Power Commission and use them in Pakistan. For this project one such plant of 20,000 k.w.'s was purchased. (Other Ontario H.E.P.C. plants used in connection with Project No. 5, Item 1 and Project No. 23, Item 12). The advantages of purchasing these plants were many—they had been used only enough to eliminate technical difficulties, they were very much cheaper than similar new plants and they were immediately available.

22. *Two Mobile Dispensaries*.—Project No. 32—F.E. No. 2545—Allocation, \$11,795.

These two mobile dispensaries were supplied under Canada's contribution to the Colombo Plan in order that people in large rural areas in Pakistan, which were well beyond the range of normal facilities, could be given medical care.

Project completed November, 1954.

23. *Tractor Training School (East Pakistan)*.—Project No. 31—F.E. No. 2544.—Allocation, \$18,000.

Equipment was supplied to set up training schools for the repair and maintenance of farm tractors.

Project completed, 1956.

PAKISTAN—1956-57 Allocations

24. *Warsak*.—Project No. 22.—F.E. No. 2675-B 2699-A—2837—Allocation, \$9,205,153.

These further additional funds were necessary for the continuation of the project programme by building up the Warsak project fund. (see also items 6, 10, 14, 20 and 29).

25. *Aerial Resources Survey*.—Project No. 35—F.E. No. 0842-0842-A—2632—Allocation, \$83,190.

These additional funds were required for the completion of the project. (see also items 3, 9, 16 and 34).

Item No.

26. *Locust Control Trucks*—Project No. 62.—F.E. No. 3144—Allocation, \$100,000.

To assist the Pakistani contribution to the locust control programme being undertaken by India and other countries in the Arabian Peninsula (where the locusts originate) at the suggestion of the F.A.O. Technical Advisory Committee, Canada agreed to provide twenty trucks equipped with two-way radio communication sets.

27. *Cement Plant*—Project No. 5—F.E. No. 1324—Allocation \$56,221.
This allocation was to provide for the trial operating period of the plant which has now been completed. See also items 1, 7 and 15 full details of this project.

Project completed January 1957.

PAKISTAN—1957-58 Allocations

28. *Tarnab Farm Workshop Equipment*—Project No. 75—F.E. No. 3230—Allocation, \$2,400.

On the recommendation of two Colombo Plan Experts working in this area, Canada undertook to assist the Government of West Pakistan in equipping the machinery workshop at the Tarnab Experimental Farm for the better maintenance of the farm machinery in the area.

Shipments started in March, 1958

and should be completed
by early summer.

29. *Warsak*—Project No. 22 F.E. Nos. 2675-2954-3236—Allocation, \$9,000,000.

This additional sum was the 1957-58 allocation to the continuation of this project.—See details under items 6, 10, 14, 20 and 24.

30. *Dacca-Chittagong*—Addition of second circuit.—Project No. 27—F.E. No. 2522—Allocation \$1,600,000.

This allocation is to provide for the second stage of the Dacca-Chittagong transmission line and the installation of the second circuit. Item 13 provided for the major financing of this line and now that the Karnafuli Hydro-Electric Project, financed by the United States is now being constructed it is proposed to proceed with the installation of the second circuit while construction crews are at the site erecting the transmission line towers.

31. *Bheramara-Kushtia Transmission Line*.—Project No. 78—F. E. No. 3378—Allocation \$500,000.

As the transmission line between Bheramara and Kushtia is part of the overall scheme of power distribution in East Pakistan, it was hoped a start could be made on the line as far as Kushtia, but the delay of approval from Pakistan makes such a start doubtful at the moment and the present plan is to delay further consideration of this project until our power plant at Khulna (see item 12) comes into operation.

32. *Wheat*—Project No. 76—F. E. No. 3363—Allocation \$2,000,000.

As in the case of the wheat shipments to India under the 1957-58 program to overcome the shortage of grain in these areas, Pakistan was also given similar assistance. This wheat also is to generate rupee counterpart funds to finance the local costs of Colombo Plan Projects.

This shipment was completed December, 1957.

Item No.

33. *Shadiwal*—Project No. 38—F. E. No. 2640—Allocation \$1,000,000.
This is a continuation of project No. 38 started in 1953-54 and recorded in detail under item No. 11. The funds allocated are to finance the completion of this project and provide for the balance of equipment necessary.
34. *Aerial Resources Survey*—Project No. 35—F. E. No. 0842—Allocation \$155,000.
As noted in Items Nos. 3, 9, 16 and 25, this survey has been carried out over an extensive area in order to fully record agricultural and geological resources. In completing this survey a substantial amount of additional data has been accumulated which will be of great value to Pakistan. This allocation is to incorporate this additional data into maps and reports now being prepared.
35. *Biological Control Station, Rawalpindi*.—Project No. 53—F.E. No. 2620—Allocation \$9,228.
This allocation is to complete the obligation undertaken as indicated in Item 18.

Project completed.

CEYLON—1952-53 Allocations

1. *Fisheries Project*—Project No. 29—F.E. No. 0854-0892-2525—Allocation, \$801,708. (see also items 3, 19, 28, and 39).

The Government of Ceylon requested Canada to assist in the establishment of an experimental fisheries project to increase the catch of fish, improve handling and market facilities, and thus help to overcome the serious protein deficiency in the food of its people. Two Canadian West Coast fishing boats manned by Canadian crews, a fishing biologist and a fishing expert in charge of the project were sent to Ceylon to inaugurate this program. Following a considerable amount of experimental and research work, involving the study of fish habits, feeding grounds, etc., and a good deal of work instructing local fishermen how to make more efficient use of fishing gear, a trawler was supplied to assist in the more advanced stages of the project. Since most of the fish caught was being wasted due to the lack of refrigeration, a modern refrigeration plant and a small reduction plant for turning fish offal into animal feed and fertilizer and for the extraction of fish oils was undertaken. This refrigeration plant has now been completed and handed over to the Government of Ceylon, which has built contiguous to it an excellent fishing harbour and breakwater to facilitate landing the catch immediately at the site of the plant. A most important facet of this fishing program was the work done by a Canadian technical expert in helping the local authorities and fishermen create fisheries cooperatives along Canadian lines.

Project completed July, 1957.

2. *Gal Oya Transmission Lines*—Project No. 15—F.E. No. 1155—Allocation, \$774,572.

One of the very grave problems of Ceylon is to bring about a more equitable distribution of population. The areas immediately north and south of the capital, Colombo, are amongst the most congested in the world, whereas in the center and on the eastern side of the island there is a considerable amount of uncultivated land (not previously usable until malaria was brought under control). The Government

Item No.

of Ceylon is now sponsoring major settlement schemes in the sparsely populated areas and the Gal Oya project is the largest of these where it is hoped to re-locate a considerable number of immigrants from the west coast. But irrigation, power development and distribution all have to be undertaken. The Government of Ceylon had built with money borrowed from the World Bank, a power station, but had no funds for power distribution. Canada agreed to build power distribution lines for this Gal Oya area. (see also Items 32 and 46).

CEYLON—1953-54 Allocations

3. *Fisheries Project*—Project No. 29—F.E. No. 2524-2525.—Allocation, \$565,000. (see also Items 1, 28, and 39).

Equipment shipped in 1956

These funds were allocated out of the 1953-54 Vote to provide small marine engines, laboratory equipment, machine shop tools and fishing equipment required to maintain experimental work in progress.

Project completed July, 1957.

4. *Flour—Rural Roads*—Project No. 30—F.E. No. 1194—Allocation, \$449,904.

This flour was supplied for the purpose of aiding the Government of Ceylon in linking up villages and agricultural areas by the building of rural roads, thus increasing marketing possibilities and generally opening up backward areas. The Government of Ceylon sells the flour and the rupees thus realized are used to provide culverts, engineering, etc. for roads, the villagers providing the labour. (see also items 18 and 37).

Project completed February, 1954.

5. *Flour—Institute of Practical Technology—Katubedde*—Project No. 33—F.E. No. 2812—Allocation, \$300,000.

This flour was sold by the Government of Ceylon and the rupees used to meet the local costs of building a school of Practical Technology at Katubedde. Ceylon is very short of all kinds of trained technicians. (see also items 12, 25, 26 and 44).

Project completed September, 1956.

6. *Agricultural Station Workshops*—Project No. 21—F.E. No. 2502—Allocation, \$225,000.

Agriculture in Ceylon is being organized in District Stations and in each one a workshop is established to take care of repairs to agricultural machinery. Canada supplied tools for these shops, some agricultural equipment and two mobile veterinary vans. (see also item 34).

7. *Pest Control Equipment*—Project No. 17—F.E. No. 1289—Allocation, \$28,137.

Agriculture in Ceylon suffers from numerous pests. To aid Ceylon in controlling these we supplied trucks fitted with spraying and dusting equipment. (see items 27 and 33).

8. *Flour—University of Ceylon*.—Project No. 36—F.E. No. 2610—Allocation, \$49,949.

The proceeds of the sale of this flour are to be used to assist the Ceylon Government to meet local costs of building a laboratory at the University of Ceylon.

Project completed May, 1955.

Item No.

9. *Two Diesel Locomotives*—Project No. 13—F.E. No. 1068—Allocation, \$370,024.

Ceylon is in process of dieselizing its railways. A particularly satisfactory diesel locomotive which ideally suits Ceylon conditions is produced in Canada. Two such locomotives with spares were provided from the above allocation as well as training for a Ceylonese maintenance man in Canada. The railways of Ceylon have decided to standardize on this type of diesel locomotive. (see also Items 13, 31, and 38).

Project completed October, 1954.

10. *Portable Irrigation Units*—Project No. 14—F.E. No. 1107—Allocation, \$185,000.

This is a new departure in Ceylon irrigation and was developed for areas with good wells. The equipment consists of aluminum piping and sprinklers, water being pumped from a small rig mounted on a push cart. Peasants move this equipment from well to well and thus irrigate a substantial area. This method is very popular and is proving to be of great benefit in areas lacking in regular rainfall.

Project completed May, 1957.

11. *Equipment for University of Ceylon*—Project No. 18—F.E. No. 1388—Allocation, \$21,003.

In order to assist the development of teaching and research facilities for the Faculty of Agriculture at the University of Ceylon, Canada undertook to supply necessary equipment for the agricultural laboratory. Canadian flour was also shipped to help meet local costs (through the creation of rupee counterpart funds) of building the laboratory. (see also item 8).

Project completed December, 1954.

12. *Institute of Practical Technology—Katubedde*—Project No. 9—F.E. No. 1017—Allocation, \$9,457.

As Ceylon was in the process of establishing an Institute of Practical Technology at Katubedde Canada was asked to assist. This allocation was to provide for an expert to survey the requirements of the school. (see also items 5, 25, 26 and 44).

Survey completed, 1954.

CEYLON—1954-55 Allocations

13. *Three Diesel Locomotives*—Project No. 28—F.E. No. 2523—Allocation, \$486,649.

This project is related to Item No. 9 and the assistance being provided to Ceylon to dieselize her railways. (see also Items 9, 31 and 38).

Project completed November, 1954.

14. *Wooden Railway Ties*—Project No. 34—F.E. No. 2554—Allocation, \$183,604

This project was undertaken to aid Ceylon in the rehabilitation of her railway system.

Project completed March, 1955.

15. *Airport Equipment*—Project No. 24—F.E. Nos. 2718 and 2809—Allocation, \$212,000.

As the international airport at Ratmalana (Colombo) was seriously deficient in telecommunication equipment, Canada was asked to assist

Item No.

in its modernization. To determine what was required and what part Canada should consider undertaking, a team of Canadian experts was sent to Ceylon to make the necessary survey (see also Item 35). To establish finances for a project on the basis of this survey an allotment of \$212,000 was provided out of the 1954-55 programme.

16. *Colombo Harbour Equipment*—Project No. 25—F.E. No. 2719—Allocation, \$400,000.

The harbour at Colombo is being developed from an anchorage-lighter system to modern docks. Canada was asked for aid in this endeavour and is contributing nine level luffing cranes manufactured in Canada. (see also items 30 and 40).

Material shipped and being erected.

17. *Gal Oya Agricultural Development Scheme*—Project No. 26—F.E. No. 2698—Allocation, \$210,000.

The objective of this scheme is to irrigate high land out of the reach of flow irrigation. It links with Project No. 15 (Item 2) in that power for it will be supplied by the transmission lines contributed by Canada. For this project we are supplying pumps, aluminum piping and some agricultural equipment.

Major items were shipped during 1956—Spares were shipped March 1957.

18. *Flour—Rural Roads*—Project No. 59—F.E. No. 2549—Allocation, \$200,000.

These represent additional funds allocated to the building of rural roads in Ceylon. (see items 4 and 37).

Project completed October, 1954.

19. *Flour—Fisheries Co-Operatives*—Project No. 46—F.E. No. 2788—Allocation, \$180,000.

This flour was to be sold by the Ceylon Government and the resulting counterpart funds in rupees used to build and equip co-operative schools. (see descriptive matter on Project No. 29 (Item 1)).

Project completed December, 1955.

20. *Mobile Cinema Vans and Visual-Aid Equipment*—Project No. 51—F.E. No. 2643—Allocation, \$30,000.

To assist in the general education of Ceylon, particularly in villages and urban areas where electricity is not available, the Government of Ceylon requested assistance from Canada in the provision of self contained mobile cinema vans and other visual aid equipment.

Project completed November, 1955.

21. *Equipment for the Junior Technical High School—Galle.*—Project No. 50—F.E. No. 2603—Allocation, \$20,000.

In conjunction with the United Kingdom, New Zealand and Australia which were undertaking to equip other departments of this Junior High School, Canada agreed to provide the equipment required for the woodworking shop.

Project completed November, 1955.

22. *Film Strips for Technical Education*—Project No. 55—F.E. No. 2616—Allocation, \$1,958.

To assist in the provision of Educational Aids for Technical Schools and for the training of teachers, Canada undertook to supply the required films and film strips.

Project completed March, 1955.

Item No.

23. *Flour—Mutwal Fisheries Harbour—Project No. 36—F.E. No. 2549, 2812—Allocation, \$600,000.*

The rupees received from the sale of this flour were used to meet local costs of the construction of the Mutwal Fisheries Harbour and of the Refrigeration and By-products buildings. (See also Items 1, 3, 19, 24, 28 and 39).

CEYLON—1955-56 Allocations

24. *Flour—Mutwal Fisheries Harbour—Project No. 59—F.E. No. 2610, 2812—Allocation, \$400,000.*

This flour contributed by Canada was sold by the Government of Ceylon and the equivalent of \$400,000 in rupees was used to provide further assistance to Project 29 (Items 1 and 23), Mutwal Fisheries Harbour.

Project completed May, 1956.

25. *Flour—Institute of Practical Technology—Katubedde—Project No. 33—F.E. No. 2812—Allocation, \$200,000.*

This is a continuation of Project No. 33 (Item 5) where flour was shipped to Ceylon to generate counterpart funds for local costs of building the Katubedde Institute.

Project completed September, 1956.

26. *Equipment for Institute of Practical Technology—Katubedde—Project No. 9—F.E. No. 2804—Allocation, \$200,000.*

This school is being established for the training of practical technicians to overcome a critical shortage of trained personnel in Ceylon. Canada undertook to provide equipment required for the various laboratories. This project is closely associated with No. 33 (Item 25) where Canada shipped flour to provide counterpart funds which would be used towards the building of the institute itself. (see also items 5, 12, 25 and 44).

27. *Pest Control Units—Project No. 17—F.E. No. 2697—Allocation, \$6,000.*

As the results of the earlier stages of this project (see Item 7) were proving very useful, Canada undertook to provide 10 additional dusting and spraying units. (see also Items 7 and 33).

28. *Fisheries Project—Project No. 29—F.E. No. 2524—Allocation, \$40,000.*

This sum was required for the provision of insulated trucks and fishing equipment as additions to the project set out in Items, 1, 3 and 39.

29. *Aerial Resources Survey—Project No. 40—F.E. No. 2720—Allocation, \$200,000. (see also Items 36 and 42).*

Ceylon requested from Canada an aerial resources survey similar to the survey undertaken in Pakistan. This project was inaugurated to begin the survey from this year's funds and will require further funds in 1956-57 for completion.

Photographic work completed late 1956.

30. *Colombo Harbour Equipment—Project No. 25—F.E. No. 2719—Allocation, \$180,000.*

This allocation was required to complete the purchase of the nine harbour cranes shown in Items 16 and 40.

Material shipped and being erected.

Item No.

31. *Three Diesel Locomotives*—Project No. 39—F.E. No. 2700—Allocation, \$555,000.

This project is allied to Project 13 (Item 9) and Project 28 (Item 13) and supplies Ceylon with three more Canadian built diesel locomotives with spares, making eight in all (see also item 38).

CEYLON—1956-57 Allocations

32. *Gal Oya Transmission Lines*—Project No. 15—F.E. No. 1293-1155—Allocation, \$400,000.

These additional funds were required for the continuation of this transmission line project (see items 2 and 46).

33. *Pest Control*—Project No. 17—F.E. No. 3134—Allocation, \$30,000. These funds were for the provision of additional spraying and dusting units and associated equipment for pest eradication (see also items 7 and 27).

34. *Agricultural Station Workshops*—Project No. 21—F.E. No. 1222—Allocation, \$115,000.

Tools and equipment were supplied for this project under the 1953-54 programme (see item 6 above). A request for similar tools and equipment for an additional twenty stations was received and this further allocation was made under the 1956-57 programme. A further 56 stations were equipped in 1957.

35. *Airport Equipment*—Project No. 24—F.E. No. 2718-1—Allocation, \$80,000.

Following receipt of the report on the survey conducted into the telecommunication requirements at Ratmalana Airport, Colombo, (see item 15) it was decided Canada should supply electronic equipment required. To meet the costs involved an additional allotment of \$80,000. was provided for in the 1956-57 programme.

36. *Aerial Resources Survey*—Project No. 40—F.E. No. 2720—Allocation, \$338,700.

These funds were required for the completion of the project, as indicated in item 29 (see also item 42).

37. *Flour*—Project No. 64—F.E. No. 3135—Allocation, \$641,500.

This flour was supplied to generate rupee counterpart funds for local construction costs of the following:

Veterinary building, University of Ceylon	\$ 41,500.
Trade School	200,000.
Rural roads (see also items 4 and 18)	400,000.

Total	<u>\$641,500.</u>
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Shipment completed April and May 1957.

38. *Two Diesel Locomotives*—Project No. 65—F.E. No. 3136—Allocation, \$370,000.

This project is related to Project 13 (item 9); Project 28 (item 13) and Project 39 (item 31) and supplies Ceylon with two more Canadian built diesel locomotives with spares, making 10 in all.

Project completed.

39. *Fisheries Project*—Project No. 29—Allocation, \$30,000.

This allocation is to provide for a diesel standby power unit for the refrigeration By-products plant. The necessity for this unit has not yet been determined. (see items 1, 3 and 28).

CEYLON—1957-58 Allocations

Item No.

40. *Colombo Harbour Equipment*—Project No. 25—F.E. No. 2719—Allocation, \$89,000.

To provide funds for a sheer leg derrick required for the erection of the cranes and to complete this project (see also items 16 and 30).

41. *Remedial Equipment University of Ceylon*—Project No. 85—F.E. No. 3417—Allocation, \$12,500.

This allocation was provided in order that necessary equipment would be made available at the University of Ceylon for the treatment of the physically handicapped.

This project is held in abeyance at the present time.

42. *Aerial Resources Survey*—Project No. 40—F.E. No. 2720—Allocation, \$643,200.

This represents an extension of the aerial survey of Ceylon undertaken under the 1956-56 and 1956-57 programmes (see also items 29 and 36).

43. *Four—Pest Control Units*—Project No. 17—F.E. No. 3419—Allocation, \$14,000.

As equipment previously supplied under this project is proving very effective Canada undertook to give continuing support and against this allocation arrangements were made, that four more units be shipped together with hand dusters and sprayers (see also items 7, 27 and 33).

44. *Equipment—Institute of Practical Technology—Katubedde*. Project No. 9—F. E. No. 2804—Allocation, \$100,000.

In further support of this project, Canada continued the supply of additional equipment necessary for the automotive workshop, the machine shop and various laboratories as further requirements were determined by a Canadian expert at the Institute and the Ceylon authorities. (See also items 5, 12, 25, and 26).

45. *Flour*—Project No. 77—F. E. No. 3364—Allocation, \$1,000,000.

This flour was supplied in order to assist in overcoming a critical food shortage in Ceylon. The sale of this flour would also generate rupee counterpart funds to meet the local costs of other Colombo Plan projects.

Shipment completed March, 1958.

46. *Gal-Oya Transmission Lines*—Project No. 15—F. E. No. 1155—Allocation, \$200,000.

As outlined in items 2, 17 and 32, Canada had assisted in the irrigation and power development of the Gal Oya Area to aid agricultural development there. This allocation relates to the third stage of this project by providing an extension of the transmission line to the power plant at Valaichenai and thereby bringing that source of power into the Island grid.

47. *X-Ray Maintenance Equipment*—Project No. 84—F. E. No. 3391—Allocation, \$3,015.

A Division of Electro-Medical Engineering had been formed in Ceylon under the guidance of a Canadian Colombo Plan Consultant to handle planning, design, installation, maintenance and repair of all electrical

Item No.

equipment in government hospitals. This equipment was supplied for the training of staff in the construction and repair of electromedical apparatus.

Project completed February, 1958.

ALLOCATIONS TO OTHER COUNTRIES

BURMA—1955-56 Allocations

1. *Cobalt Beam Therapy Unit*—Project No. 54—F. E. No. 2803—Allocation, \$34,500.

The Government of Burma requested a Cobalt Deep Therapy Unit for the Rangoon General Hospital for the treatment of cancer and the training of both under-graduate and post-graduate medical personnel. The hospital handles about 500 cases of all types of cancer per annum and with the establishment of a cancer clinic the number is expected to exceed 1,500 per annum. When the request was received no cancer clinics were operating anywhere in Burma. Shipment of the unit was effected in October 1957 and it is now in operation with two Canadian experts at the hospital training the Burmese in the use of this equipment.

2. *Text Books for University of Rangoon*—Project No. 56—F. E. No. 2781—Allocation, \$1,013.

In July, 1955, Burma requested 200 textbooks from Canada. These books—"Principles of Management"—were to be used at the University in a new course in Management and Administration. Lecturers were to be drawn from a pool of foreign experts serving in Burma under various aid agencies. The books were shipped in September 1955.

Project completed September, 1955.

3. *Equipment for Permanent Training Centre—Rangoon*—Project No. 58—F. E. No. 2808—Allocation, \$19,050.

In November, 1955, Burma asked Canada to assist in the equipping of a Permanent Training Centre which will instruct in the operation and maintenance of farm machinery. This request also asked that a Canadian Colombo Plan expert be assigned to instruct in the use of the equipment and in workshop methods and practices. The equipment was shipped in August, 1956, and a Canadian expert is still assigned to this project.

BURMA—1956-57 Allocations

4. *Rangoon Technical High School Equipment*—Project No. 60—F. E. No. 2943—Allocation, \$85,000.

In conjunction with the United Kingdom, Australia and the Ford Foundation, Canada was asked to assist the development of the Rangoon Technical High School by providing small tools and bench equipment. This school will provide a two-year course in academic subjects and courses in electrical, mechanical and civil engineering. Following the visit of a Canadian technical expert to Burma, it was agreed that Canada would supply the following equipment: Brick-laying, carpentry, sheet-metal, welding, blacksmithy, foundry, general tools as well as some office equipment.

This project is now complete.

Item No.

5. *Photogrammetric Equipment for Burma Survey Department*—Project No. 61—F.E. No. 2962—Allocation—\$40,000.

Canada agreed to supply scientific equipment to assist Burma's Survey Department with its expansion programme into the fields of mapping, photogrammetry and interpretation of air photographs. All equipment has been shipped and this project is now considered complete.

BURMA—1957-58 Allocations

6. *Workshop Equipment—Agricultural Development—Central and District Shops*.—Project No. 71—F.E. No. 3362—Allocation—\$40,000.

This project provided equipment for one departmental and five district repair stations which were concerned with the maintenance of tractors and other agricultural equipment. All requested equipment has now been shipped.

7. *Fisheries Equipment*—Project No. 83—F.E. No. 3389—Allocation—\$2,500.

A Colombo Plan Expert is in Burma to demonstrate and advise on the use of modern fishing equipment in an endeavour to improve the Burmese fishing industry. On the recommendation of this expert we have provided a selection of small fishery items such as floats, drags, a depth recorder etc. to be used for demonstration purposes.

Project completed March, 1958.

CAMBODIA—1954-55 Allocations

8. *Mobile Veterinary Service Clinics*—Project No. 49—F.E. No. 2621—Allocation—\$15,000.

The Cambodian Government requested two mobile veterinary units in December, 1954, to assist in the extension of veterinary facilities in the rural areas and generally assist the movement of existing trained veterinary staffs in the field. Two units were shipped in June, 1955.

Project completed June, 1955.

INDONESIA—1956-57 Allocations

9. *Gresik Cement Plant Library*—Project No. 67—F.E. No. 3147—Allocation—\$400.

Canada provided a nucleus for a suitable reference library for the new Cement Plant at Surabaya.

Project completed March, 1957.

INDONESIA—1957-58 Allocations

10. *Books and Journals—Academy of Public Administration—Malang*—Project No. 74—F.E. No. 3233—Allocation—\$2,000.

To assist the Academy of Public Administration at Malang to build up a suitable library Canada undertook to supply text books and publications on Public Administration.

MALAYA—1956-57 Allocations

11. *Aero-magnetic and Radio-Activity Survey*—Project No. 63—F.E. No. 3121—Allocation—\$201,000.

To assist the economic development of Malaya, Canada agreed to conduct an aerial survey of about 35,000 square miles of hitherto

Item No.

largely unexplored jungle. A contract was entered into for the survey in the total amount of \$314,500., of which Canada is responsible for the provision of \$201,000.

Project completed.

MALAYA—1957-58 Allocations

12. *Text Books—Junior Technical (Trade) School—Kuala Lumpur—*Project No. 72—F.E. No. 3231—Allocation—\$600.

To support the establishment of this trade school Canada undertook to supply suitable text books on machine shop practices and machine tool operation. 180 books were shipped in August 1957.

Project completed 1957.

13. *Small Tools—Electrical Department Technical Institute—Kuala Lumpur—*Project No. 73—F.E. No. 3232—Allocation—\$3,000.

To help in the training of technical personnel at this institute Canada provided small tools for the Electrical Department.

Project completed September, 1957.

14. *Text Books—Technical College—Kuala Lumpur—*Project No. 80—F.E. No. 3390—Allocation—\$5,000.

As announced by the Honourable J. M. Macdonnell when he attended the Malayan Independence Day celebrations in August 1957, Canada undertook to provide Geology and Geological Engineering Text Books for the Technical College at Kuala Lumpur.

NORTH BORNEO—1957-58 Allocations

15. *Trade School Equipment—Jesselton—*Project No. 89—Allocation—\$3,000.

To provide a practical aid for instruction in the maintenance and care of trucks, Canada is supplying stripped-down light truck chassis for use at the trade school at Jesselton, North Borneo.

SINGAPORE—1956-57 Allocations

16. *Singapore Polytechnic School—*Project No. 68—Allocation—\$50,000.

This allocation was made to assist the Government of Singapore in equipping the new Polytechnic School being constructed in Singapore. This school will be open to students not only from Malaya but also from the surrounding area and thereby help to overcome the critical shortage of trained technicians in the region. Machinery to equip the woodworking shop at this school was mainly obtained from Canada.

17. *University of Malaya (Singapore)—*Project No. 88—F.E. No. 3495—Allocation—\$5,000.

To assist the University of Malaya, at Singapore, in the establishment of a Geology Department, Canada agreed to provide suitable maps, mineral samples and library books.

SOUTH VIETNAM—1957-58 Allocations

18. *Laboratory Equipment—University of Dalat—*Project No. 86—F.E. No. 3475—Allocation—\$5,000.

In an effort to increase the standards of technical education in South Vietnam, Canada agreed to supply laboratory equipment for the New University of Dalat.

"APPENDIX B"

CANADIAN COLOMBO PLAN ASSISTANCE

FINANCIAL STATEMENT
Funds made available

TABLE No. 1—Funds Voted by Fiscal Years

	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	Total
\$ 400,000	\$ 25,400,000	\$ 25,400,000	\$ 25,400,000	\$ 25,400,000	\$ 26,400,000	\$ 34,400,000	\$ 34,400,000	\$ 197,200,000
					Less Funds which lapsed during 1950-51 and 1951-52.....			529,296
						Balance available.....		\$ 196,670,704

TABLE No. 2—Total Assistance Extended up to 31 March 1958

	Country	Capital	Technical	Total
BRUNEI.....		\$ 232,563	\$ 306,088	\$ 538,651
BURMA.....		13,634	76,967	90,601
CAMBODIA.....		12,192,928	1,118,262	13,311,190
Ceylon.....		101,772,341	1,309,557	103,081,898
INDIA.....		2,435	591,883	594,318
INDONESIA.....			70,532	70,532
LAOS.....		209,600	291,048	500,648
MALAYA.....				
NEPAL.....		3,000	16,838	19,838
NORTH BORNEO.....		71,024,514	1,135,466	72,159,980
Pakistan.....			34,475	34,475
SARAWAK.....		55,000	54,989	109,989
SINGAPORE.....			22,537	22,537
THAILAND.....		5,000	181,159	186,159
VIETNAM.....				
		\$ 185,511,015	\$ 5,209,801	\$ 190,720,816
			37,345	37,345
Bureau Contributions.....		\$ 185,511,015	\$ 5,247,146	\$ 190,758,161
			Reserve	5,912,543
				\$ 196,670,704

CANADIAN COLOMBO PLAN ASSISTANCE

ALLOCATIONS AND EXPENDITURES

Table No. 3—Allocations to Capital Projects

Country	As at 31 March, 1958.				
	Funds Allocated to Date	Expenditures to Date	Outstanding Commitments	Total Liabilities	Uncommitted Balance
	\$	\$	\$	\$	\$
BRUNEI.....	—	—	—	—	—
BURMA.....	232,563.00	153,790.00	16,926.00	170,716.00	61,847.00
CAMBODIA.....	13,634.00	13,634.00	—	13,634.00	—
CEYLON.....	12,192,928.00	8,490,443.00	3,097,368.00	11,587,811.00	605,117.00
INDIA.....	101,772,341.00	66,364,157.00	22,825,559.00	89,189,716.00	12,582,625.00
INDONESIA.....	2,435.00	91.00	1,602.00	1,693.00	742.00
LAOS.....	—	—	—	—	—
MALAYA.....	209,600.00	203,135.00	1,351.00	204,486.00	5,114.00
PAKISTAN.....	71,024,514.00	49,568,973.00	13,797,591.00	63,366,564.00	7,657,950.00
SINGAPORE.....	55,000.00	965.00	43,420.00	44,385.00	10,615.00
NORTH BORNEO.....	3,000.00	—	3,000.00	3,000.00	—
VIETNAM.....	5,000.00	—	5,000.00	5,000.00	—
NEPAL.....	—	—	—	—	—
PHILIPPINES.....	—	—	—	—	—
SARAWAK.....	—	—	—	—	—
THAILAND.....	—	—	—	—	—
TOTALS.....	\$ 185,511,015.00	\$ 124,795,188.00	\$ 39,791,817.00	\$ 164,587,005.00	\$ 20,924,010.00

CANADIAN COLOMBO PLAN ASSISTANCE
ALLOCATIONS AND EXPENDITURES
Table No. 4—Expenditures on Technical Assistance up to 31 March 1958

Country	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	Total
BRUNEI.....	\$ —	\$ —	\$ —	\$ —	\$ 4,377	\$ 32,488	\$ 79,711	\$ 189,513	\$ 306,088
BURMA.....	—	—	—	—	19,468	15,850	14,438	25,941	76,967
CAMBODIA.....	—	46,142	83,473	1,270	163,866	223,937	213,704	243,294	1,118,252
CEYLON.....	—	123,769	54,957	101,531	114,032	225,305	361,234	328,758	1,309,557
INDIA.....	—	—	—	—	64,304	148,324	215,650	163,606	591,883
INDONESIA.....	—	—	—	—	—	—	32,240	38,292	70,532
LAOS.....	—	—	—	—	56,007	43,147	94,734	52,602	291,048
MALAYA.....	—	—	—	44,559	—	—	—	—	—
NEPAL.....	—	—	—	1,689	5,467	5,657	573	3,451	16,838
NORTH BORNEO.....	—	95,211	63,978	133,308	206,873	197,172	195,479	243,445	1,135,466
PAKISTAN.....	—	—	—	—	—	1,671	2,746	30,058	34,475
SARAWAK.....	—	—	—	—	8,541	1,867	21,859	22,722	54,989
SINGAPORE.....	—	—	—	3,542	2,845	534	—	15,616	22,537
THAILAND.....	—	—	—	—	4,313	1,361	138,137	37,347	181,159
VIETNAM.....	—	—	—	—	—	—	—	—	—
Bureau Contributions....	\$ —	\$ 265,122	\$ 202,378	\$ 429,746	\$ 650,093	\$ 897,313	\$ 1,370,505	\$ 1,394,645	\$ 5,209,801
	5,582	—	4,106	4,210	7,211	5,081	6,041	5,114	37,345
	\$ 5,582	\$ 265,122	\$ 206,484	\$ 433,956	\$ 657,304	\$ 902,394	\$ 1,376,546	\$ 1,399,759	\$ 5,247,146

"APPENDIX C"

COLOMBO PLAN ADMINISTRATION IN CANADA

STATISTICAL SUMMARY OF
TECHNICAL CO-OPERATION PROGRAM

1950 - 30 JUNE 1958

TECHNICAL CO-OPERATION SERVICE

INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION DIVISION

DEPARTMENT OF TRADE AND COMMERCE

OTTAWA, CANADA

TABLE 1
NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM
1950 to 30 JUNE 1958, BY AGENCY FOR WHICH TRAINING WAS ARRANGED
AND ARRIVALS AND DEPARTURES EACH YEAR

	ARRIVALS										DEPARTURES								Number in Canada as at June 30,	
	1950	1951	1952	1953	1954	1955	1956	1957	1958	Total	1951	1952	1953	1954	1955	1956	1957	1958		Total
Colombo Plan.....	—	59	41	61	83	139	253	202	78	916	30	45	32	69	89	182	173	97	717	199
United Nations.....	6	31	80	57	32	23	29	31	14	303	28	59	71	37	25	31	32	12	295	8
UNESCO.....			15	14	5	6	6	14	3	63		6	15	13	6	4	16	1	61	2
FAO.....			2	6	1	9	6	16	2	42		2	6	1	8	5	18		40	2
ICAO.....			3	2		2	2	3		12		1	4			4	2	1	12	
ILO.....				1	1	1	2	2		7			1	1	1	1	2		6	1
ICA.....				2	6	23	14	61	78	184			2	6	23	14	59	48	152	32
OTHERS*.....					1		1	6	18	27				1		1	6	19	27	
TOTAL.....	6	90	141	143	129	203	313	335	194	1,554	58	113	131	128	152	242	308	178	1,310	244

I B R D
Canadian—Scandinavian Foundation
Swedish American Foundation
Puerto Rican Government
Harvard University
Indian Government

TABLE 2

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	CALENDAR YEARS 1950-1957								FROM 1 JANUARY 1958 TO DATE										
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
Afghanistan.....		1	1		2				4								—	—	4
Alaska.....		1							1									—	1
Argentina.....			1						1										1
Australia.....		3							3										3
Austria.....		1	2						3										3
Belgium.....		1							1										1
Bolivia.....		4	1		1		4		10		1							1	11
Brazil.....		11					1		12		1					5	1	7	19
British Guiana.....		6		1			1		8										8
West Indies.....		8		2			2		12										12
Burma.....	52	8	2	1	1	1			65	10	1	1						12	77
Cambodia.....	10	1	2				2		15							11		11	26
C/Fwd.....	62	45	9	4	4	1	10		135	10	3	1	—	—	—	16	1	31	166

TABLE 2—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
 BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.	62	45	9	4	4	1	10	.....	135	10	3	1	—	—	—	16	1	31	166
Ceylon.....	63	1					1	.....	65	4	1					1		6	71
Chile.....		8	1	2			4	.....	15										15
Colombia.....								.....									1	1	1
Colombo.....		6		1		1		.....	8										8
Costa Rica.....							7	.....	7							3		3	10
Cuba.....		1						.....	1										1
Cyprus.....				2				.....	2										2
Denmark.....		2	3					.....	5										5
Ecuador.....		3	2	2	1			.....	8										8
Egypt.....		19						.....	19		1	1						2	21
El Salvador.....		1					1	.....	2							2	1	3	5
Ethiopia.....					1			.....	1							2		2	3
Finland.....		16		3	2			.....	21										21
France.....		5	4				1	.....	10										10
French Togoland.....			1					.....	1										1
C/Fwd.	125	107	20	14	8	2	24	.....	300	14	5	2	—	—	—	24	3	48	348

TABLE 2—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
 BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.	125	107	20	14	8	2	24	—	300	14	5	2	—	—	—	24	3	48	348
Germany.....							1		1									1	1
Gold Coast.....		3							3									3	3
Greece.....		1	1						2							2		2	4
Guatemala.....		1	1	1					3										3
Haiti.....		6	5			1			12							1		1	13
Honduras.....																2		2	2
Hong Kong.....		2							2										2
India.....	257	26	4	4			1	3	295	14								14	309
Indonesia.....	129	3	2		1		9		144	5						1	1	7	151
Iran.....		11	3	1			5	1	21		1					2		3	24
Iraq.....		4	1	2					7							3		3	10
Israel.....		10		2			7	1	20										20
Japan.....		3	1						4								2	2	6
Jordan.....		4	1						5										5
C/Fwd.	511	181	39	24	9	3	47	5	819	33	6	2	—	—	—	33	8	82	901

STANDING COMMITTEE

TABLE 2—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
 BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.	511	181	39	24	9	3	47	5	819	33	6	2				33	8	82	901
Korea.....		11					11		22							10		10	32
Laos.....	16								16										16
Lebanon.....		1							1										1
Liberia.....																	2	2	2
Malaya.....	10		1						11	3								3	14
Malta.....		2							2										2
Mexico.....		4		1			1		6		1					1	1	3	9
Morocco.....												1						1	1
Nepal.....		3							3										3
Netherlands.....		1							1										1
Nicaragua.....					1				1										1
Nigeria.....		2							2										2
North Borneo.....	1								1										1
Norway.....		3	1				1		5										5
Nyasaland (Netherlands Citizen).....			1						1										1
Pakistan.....	232	28	4	1		1	7		273	14						4	1	10	292
C/Fwd.	770	236	46	26	10	4	67	5	1,164	50	7	3				48	12	120	1,284

TABLE 2—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1955,
 BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.																			
Panama.....	770	236	46	26	10	4	67	5	1,104	50	7	3	—	—	—	48	12	120	1,284
Peru.....		2							2		1					1		2	4
Philippines.....		5														1	1	2	2
Poland.....					1	1	14		21							5	3	8	29
Puerto Rico.....											2							2	2
Sarawak.....	3							1	1							2		2	3
Saudi Arabia.....							1		1										3
Singapore.....	6	2							8										1
Solomon Islands.....		1						1	2										8
South Africa.....		1	1						2										2
Southern Rhodesia.....				1					1										2
Sweden.....		3				1		1	5										1
Switzerland.....		2							2										5
Syria.....			5	1					6				1					1	2
Taiwan.....		16	1				3		20		3					3		6	25
Tanganyika.....				1					1										1
C/Fwd.	779	268	53	29	11	6	85	8	1,239	50	13	3	1	—	—	60	16	143	1,382

TABLE 2—*Cont.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
 BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.	779	268	53	29	11	6	85	8	1,239	50	13	3	1			60	16	143	1,382
Thailand	3	6	5	2	1	1	16		34							7		7	41
Tunisia																2		2	2
Turkey		2	1	9			1		13		1		1				2	4	17
United Kingdom							2		2										2
Uruguay		4	1				1		6										6
Venezuela		4							4										4
Viet Nam	56						1		57	28						6	1	35	92
Virgin Islands		3							3										3
Yugoslavia		2							2							3		3	5
GRAND TOTAL	838	289	60	40	12	7	106	8	1,380	78	14	3	2			78	19	194	1,554

TABLE 3

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	CALENDAR YEARS 1950-1957								FROM 1 JANUARY 1958 TO DATE										
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
AERIAL SURVEY.....	5								5	3								3	8
Photogrammetry.....	8								8									8	16
AGRICULTURE.....	16		1						17	5								5	22
Agronomy.....	2								2									2	2
Animal Husbandry.....	7			1					8									8	9
Biological Control.....	2								2									2	2
Botany.....	3			1					4									4	4
Chemical Technology.....	4								4	1			1					6	5
Chemistry.....	1								1									1	2
Dairying.....	1								1									1	1
Economics.....	3								3	1								4	4
Engineering.....	47								48									48	51
Farm Mechanics.....	4								4									4	8
Fertilizer Manufacture.....		1							1									1	1
Grain Storage and Distribution.....	15			10					25										25
Government Agricultural Administration.....	2			1					3										3
Helmiculture.....	1								1									1	1
Horticulture.....	1								1									1	1
Meat Packing & Cold Storage.....																			
Mycology.....	2								2									2	2
Plant Pathology.....	3								3									3	3
Soil Science.....	8			1					9									9	13
Tobacco Research & Production.....	2	1		1					4									4	7
Veterinary Science.....	5	2							7									7	191
C/Fwd.....	141	5	2	18					166	40			1					41	207

TABLE 3—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1953,
 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Twd.	141	5	2	18					166	40			1					41	207
ACCOUNTANCY.....	20	10						1	31	1						1		2	33
AVIATION.....	1				9				10										10
BANKING.....	1	1					4		6							2		2	8
BIOCHEMISTRY & ENZYMOLOGY.....	5								5										5
BUSINESS ADMINISTRATION.....	3	2							5										5
CEMENT MANUFACTURE.....	6	1							7	1								1	8
Pre-Cast Concrete Manufacture.....	1								1	8									9
CHEMICAL INDUSTRY.....	5								5										5
CHEMISTRY.....	18								18	1								2	20
COMMERCE.....	9							1	10									1	11
CO-OPERATIVES AND MARKETING.....	41	10	3	7		2	5		68	2								2	70
ECONOMICS.....	2	1	1						6										6
EXPOSITION.....	20		37						57										57
Educational Psychology.....			2						2				2						3
ENGINEERING.....	5								5										5
Agricultural (see AGRICULTURE)																			
Applied.....	19								19										19
Chemical.....	5	1	1						7									7	31
C/Twd.	302	31	46	25	11	2	10	2	429	45	2	2	1			11		61	490

TABLE 3—*Con.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1953,
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	CALENDAR YEARS 1950-1957								FROM 1 JANUARY 1958 TO DATE										
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
ENGINEERING (Cont'd) B/Fwd.	302	31	46	25	11	2	10	2	429	45	2	2	1	—	—	11	—	61	490
Civil	30	9							39	1								1	40
Electrical	25	6							31	4						1		5	36
Hydro-Electrical	29	4							33										33
Irrigation	5								5										5
Marine										1								1	1
Mechanical	30								30	1								1	31
Mining	4								4										4
Nuclear	32								32										32
Thermal-Electrical	3								3										3
Thermo-Dynamics	1								1									—	8
									178							1		1	186
FISHERIES	19	1		5			1		26	5	1		1					7	33
FORESTRY	18	2		5			5		30	1								1	31
GEOLOGY	10	6							16	3								3	19
HEALTH SERVICES																			
Anaesthesiology	2								2										2
Anatomy	1								1										1
Bacteriology	3								3										3
Cardiology	3								3										3
Dentistry	3								3										3
Dermatology	1								1									1	13
									13										
C/Fwd.	521	59	46	35	11	2	16	2	692	61	3	2	2			12		80	772

TABLE 3—*Con.*
NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	CALENDAR YEARS 1950-1957							FROM 1 JANUARY 1958 TO DATE							Grand Total				
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO		ILO	ICA	Others	Total
HEALTH SERVICES—Continued																			
B/Fwd.	521	59	46	35	11	2	16	2	692	61	3	2	2			12		80	772
Genito-Urinary Surgery.....	2								2										2
Hospital Administration.....	3								3										3
Medical Photography.....	1								1										1
Medicine.....	2								2										2
Microbiology.....	2								2										2
Neo-Natal Pathology.....	1								1										1
Neuro-Pathology.....	1								1										1
Nutrition and Dietetics.....	5			1					6										6
Nursing.....	22						4	26	52	1								1	27
Obstetrics and Gynaecology.....	7								7										7
Ophthalmology.....	2								2										2
Otolaryngology.....	2								2										2
Pathology.....	2								2	1									3
Pediatrics.....	3								3										3
Pharmacy.....	3	2							5									1	6
Pharmacology.....	2								2										2
Physiology.....	4								4										4
Psychiatry.....	1								1										1
Public Health.....	19	1							20	2						1		3	23
Radiology.....	5								5										5
Surgery.....	3								3	1								1	4
Therapy.....	1	1							2										2
Tuberculosis.....	8								8										8
									—	110								8	118
C/Fwd.	622	63	46	36	11	2	20	2	802	66	3	2	2			15		88	890

TABLE 3—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.	622	63	46	36	11	2	20	2	802	66	3	2	2			15		88	890
HOUSING AND TOWN PLANNING		5							5									5	5
IMMIGRATION AND SETTLEMENT	6						1		7									7	7
INDUSTRIAL DEVELOPMENT AND MANAGEMENT	7	10							17										17
INSURANCE		1							1									1	1
IRON AND STEEL INDUSTRY	1	1							22									2	2
LABOUR	3					1	3		7									7	7
LIBRARY SCIENCE	2								2									2	2
MATHEMATICS	1								1									1	1
METEOROLOGY		2	1	1					4									4	4
MINING	7	8						15	15			1						1	16
Labour Safety						2		2	17									2	18
OPTICS	1							1	1										1
OIL AND GAS WELL CONSERVATION	1	1						2	2									2	2
OIL TECHNOLOGY	3							3	3									3	3
PALAEONTOLOGY	1							1	1									1	1
PATENTS, COPYRIGHTS AND TRADEMARKS																3		3	3
C/Fwd.	655	91	47	36	12	5	24	2	872	66	3	3	2			18		92	964

TABLE 3—*Con.*
NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1953,
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	CALENDAR YEARS 1950-1957									FROM 1 JANUARY 1958 TO DATE									
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.	655	91	47	36	12	5	24	2	872	66	3	3	2			18		92	964
PHOTO GEOLOGY.....	2	1							3										3
PHOTO LITHOGRAPHY.....	1								1										1
PHYSICS.....	5								5										5
Nuclear Physics.....	4								4										4
									9										9
POLICE ADMINISTRATION.....	20						6		26	1								1	27
PRINTING AND ENGRAVING.....	1								1										1
PSYCHOLOGY.....	1		2						3										3
Child Psychology.....	1								1									1	4
									4										
PUBLIC ADMINISTRATION.....	45	41				1	37		124	1	1					10		12	136
PUBLIC FINANCE.....	9	44					22	2	77	4	1					21	19	45	122
PUBLIC INFORMATION SERVICES.....	2								2										2
Journalism.....	7								7										7
Film Board.....	2	1	5				1		9	2								2	11
Radio Broadcasting and Television.....	11	2	3						16										16
									34										36
C/Fwd.	768	180	57	36	12	6	90	4	1,151	74	5	3	2			49	19	152	1,303

TABLE 3—*Cont.*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 30 JUNE 1958,
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	CALENDAR YEARS 1950-1957										FROM 1 JANUARY 1958 TO DATE								
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Grand Total
B/Fwd.	766	180	57	36	12	6	90	4	1,151	74	5	3	2			49	19	152	1,303
PULP AND PAPER MANUFACTURE	14			2				1	17										17
RAILWAYS	19	24						3	46		1							1	47
REFRIGERATION	1								1										1
RIVER SURVEY AND CONSERVANCY	3	1							4										4
ROAD AND/OR RIVER TRANSPORT	5	3							8	1								1	9
SOCIAL WELFARE	7	46	2	1			1		57	1	5							6	63
STATISTICS	16	27	1	1		1	15		61		3					24		27	88
TECHNICAL TRADES																		2	2
TELECOMMUNICATIONS	7	8							15	1						3		4	19
TRADE FAIR TECHNIQUES										1								1	1
TOTAL	838	289	60	40	12	7	106	8	1,360	78	14	3	2			78	19	194	1,554

TABLE 4

NUMBER OF EXPERTS RETAINED FOR SERVICE ABROAD FOR COLOMBO PLAN COUNTRIES AND THE WEST INDIES FROM 1950 TO 30 JUNE 1958, BY COUNTRY AND DEPARTURES AND RETURNS EACH YEAR

	SENT ABROAD										RETURNED TO CANADA						Number Abroad as at 30 June 1958
	1951	1952	1953	1954	1955	1956	1957	1958	Total	1953	1954	1955	1956	1957	1958	Total	
COLOMBO PLAN—																	
Burma.....				1	1	1	3	2	8			1	1	1		3	5
Cambodia.....				2	1	1			4		1	2	1			4	
Ceylon.....	2	5	7	9	5	5	5	1	39	3	5	5	5	3	7	28	11
India.....				3	3	3	7	1	17				2	10	3	15	2
Indonesia.....				1	1	2	1	1	6				2			2	4
Laos.....							1		1					1		1	
Malaya.....			6	2	1	6			15		3	1	4	4		12	3
North Borneo.....				1					1				1			1	
Pakistan.....			4	4	3	2	1	2	16	1	1	7	1	3	1	14	2
Sarawak.....							3		3								3
Singapore.....						1	1	1	3					1	1	2	1
Thailand.....							1		1								1
Two or more Countries.....			4	1				1	6	4	1					5	1
TOTAL COLOMBO PLAN.....	2	5	21	24	15	21	23	9	120	8	11	16	17	23	12	87	33
WEST INDIES.....								5	5						2	2	3
GHANA.....								1	1								1
GRAND TOTAL.....	2	5	21	24	15	21	23	15	126	8	11	16	17	23	14	89	37

TABLE 5

NUMBER OF CANADIAN EXPERTS SERVING ABROAD UNDER THE UNITED NATIONS AND SPECIALIZED AGENCIES AS AT 30 JUNE 1958, BY COUNTRY AND AGENCY

Country	Total	UNTA	UNESCO	FAO	WHO	ICAO	ILO
Argentina	2	1		1			
Bolivia	1				1		
Burma	4	1		1	1		1
Brazil	1			1			
British Honduras	1		1				
Cambodia	2			2	2		
Ceylon	1			1			
Chile	1	1					
Columbia	1			1			
Costa Rica	3	2			1		
Egypt	1		1				
Ethiopia	1					1	
Ghana	2	1		1			
India	6	1			5		
Indonesia	7	1	2	1	2		1
Iran	6	1	1		4		
Iraq	1		1				
Israel	1				1		
Latin America	1		1				
Libya	2			2			
Manila	1						1
Mauritius	1				1		
Morocco	2	1			1		
Nepal	1	1					
Pakistan	3	1			2		
Philippines	1						1
Sarawak	1				1	1	
Seychelles	1	1					
Singapore	2				2		
Sudan	4	1			3		
Syria	1			1			
Tanganyika	1			1			
Thailand	3	1	1		1		
Venezuela	2	2					
General Projects	7	2		3	2		
TOTAL	76	19	8	14	30	1	4

The Technical Co-operation Service has assisted in arranging some of the appointments summarized above, but many people have been recruited directly by the agencies concerned. The summary is substantially accurate but, since it is based on incomplete information, there are probably some experts now abroad who have not been included.

SUMMARY: The following shows the number of Canadian experts engaged on United Nations Technical Assistance projects during the calendar years 1952, 1953, 1954, 1955, 1956 and 1957.

Year	UNTA	UNESCO	FAO	WHO	ICAO	ILO	Total
(1) 1952	19	7	20	26	3	10	85
(2) 1953	16	7	24	24	3	4	78
(3) 1954	15	4	16	28	2		65
(4) 1955	17	10	26	27	2		82
(5) 1956	23	11	26	43	5	3	111
(6) 1957	30	13	27	47	8	4	129

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First Session—Twenty-fourth Parliament

1958)

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STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

MONDAY, AUGUST 11, 1958
TUESDAY, AUGUST 19, 1958

MAIN AND SUPPLEMENTARY ESTIMATES OF THE
DEPARTMENT OF EXTERNAL AFFAIRS—1958-59
INCLUDING SECOND REPORT TO THE HOUSE

WITNESSES

Messrs. W. D. Matthews, Assistant Under-Secretary of State for External Affairs; J. H. Cleveland, Director, American Division, Department of External Affairs; and statement by General A. G. L. McNaughton, Chairman, Canadian Section, International Joint Commission.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.

and Messrs.

*Aitken, Miss	Jung,	Nugent,
Argue,	Kucherepa,	Paul,
Brassard (<i>Lapointe</i>),	Lafrenière,	Pearson,
Cardin,	Lennard,	Pratt,
Crestohl,	MacLellan,	Richard (<i>Ottawa East</i>),
Deschatelets,	Macnaughton,	Smith (<i>Calgary South</i>),
Dinsdale,	Mandziuk,	Stinson,
Dorion,	Martin (<i>Essex East</i>),	Valade,
Fairfield,	McCleave,	Van Horne,
Garland,	McFarlane,	Vivian—35.
Herridge,	McGee,	
Jones,	McGrath,	

J. E. O'Connor,
Clerk of the Committee.

* Replaced on Saturday, August 9, 1958 by Mr. Murphy.

ORDER OF REFERENCE

SATURDAY, August 9, 1958.

Ordered,—That the name of Mr. Murphy be substituted for that of Miss Aitken on the Standing Committee on External affairs.

THURSDAY, August 14, 1958.

Ordered,—That the name of Miss Aitken be substituted for that of Mr. Murphy on the Standing Committee on External Affairs.

Attest.

LEON J. RAYMOND,
Clerk of the House

REPORT TO THE HOUSE

WEDNESDAY, August 20, 1958.

The Standing Committee on External Affairs has the honour to present the following as its.

SECOND REPORT

On Friday, July 25, 1958, the House referred to your Committee for consideration Items numbered 85 to 111 inclusive, Item 502, Items 542 to 549 inclusive, and Item 655 of the Main and Supplementary Estimates 1958-59.

Your Committee has held nine meetings during which it heard statements and evidence from The Honourable Sidney E. Smith, Secretary of State for External Affairs; Mr. Jules Leger, Under-Secretary of State for External Affairs; Mr. W. D. Matthews, Assistant Under-Secretary; Mr. J. H. Cleveland, Director, American Division; and Mr. R. Grey, Economic Division; assisted by the following: Messrs. H. B. Robinson, Special Assistant to the Secretary of State for External affairs; H. B. M. Best, Executive Assistant; W. T. Delworth, Private Secretary; H. F. Clark, Director, Finance Division; H. F. Davis, Director, European Division; H. J. Armstrong, Financial Adviser to the Department; Rose Campbell, Director, Middle Eastern Division; M. Grant, Director, Supplies and Properties Division; M. Shenstone, Middle Eastern Division; F. G. Hooton, Defence Liaison Division (1); A. G. Campbell, United Nations Division; and d'I. Fortier, Economic Division; of the Department of External Affairs. *From the Department of Trade and Commerce:* Mr. R. W. Rosenthal, Acting Administrator of the International Economics and Technical Co-operation Division, assisted by Messrs. F. E. Pratt, Chief, Capital Projects Section; and D. Bartlett, Chief, Technical Co-operation Service. *From the Canadian Section of the International Joint Commission:* General A. G. L. McNaughton, Chairman, assisted by Messrs. D. G. Chance, Assistant Secretary; J. L. MacCallum, Legal Adviser; and E. R. Peterson, Engineering Adviser.

Your Committee has considered the above listed estimates, approves them, and recommends them to the House for approval.

The announcement by the Prime Minister of the preliminary step toward the establishment of a Parliamentary Committee to meet with a United States Congressional Committee, to examine problems common to both countries and to exchange views and interpret developments to their respective governments was welcomed by your Committee. Such a joint committee it is felt could be invaluable in the promotion of a greater degree of understanding between the two legislative bodies.

With regard to the recent report of the United Nations Scientific Committee on the effects of Atomic Radiation, your Committee expresses a hope that the Government will keep under constant review its policy on the suspension of nuclear tests, taking into account the results of the current meetings of scientists at Geneva on the methods of detecting nuclear explosions.

Your Committee endorses Canada's position with regard to preventing the spread of the development and manufacture of nuclear weapons.

The continuation of studies on the possible establishment of a permanent United Nations force to ensure peace and deter aggression, is considered of great importance.

It was learned that the Department of External Affairs has arranged through the National Gallery of Canada, for an exhibition of the work of certain Canadian artists with a view to purchasing a considerable number of oil paintings to replace those being recalled by the National Gallery from Canadian Embassies and Chancelleries abroad. It is strongly urged that the paintings purchased be truly representative of Canada.

In order to assist your Committee in its work, it recommends that, at future sessions of Parliament it should commence its sittings within one month of the meeting of the House. Consideration should also be given to the broadening of the role of the Committee.

Your Committee wishes to record its appreciation to all those who contributed to the successful completion of its work.

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,
H. O. WHITE,
Chairman.

MINUTES OF PROCEEDINGS

MONDAY, August 11, 1958.

The Standing Committee on External Affairs met at 2:00 p.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Cardin, Dinsdale, Fairfield, Herridge, Jones, Jung, Kucherepa, Lafreniere, Lennard, Martin (*Essex East*), Mandziuk, McCleave, McFarlane, McGee, McGrath, Murphy, Stinson, Vivian and White—(19).

In attendance: From the Department of External Affairs: Messrs. W. D. Matthews, Assistant Under-Secretary of State; and J. H. Cleveland, Director, American Division; From the Canadian Section of the International Joint Commission, General A. G. L. McNaughton, Chairman, and Messrs. D. G. Chance, Assistant Secretary; J. L. MacCallum, Legal Adviser; and E. R. Peterson, Engineering Adviser.

The Chairman observed the presence of quorum and called on Mr. Matthews to answer certain questions asked at previous meetings.

On Item 102—Salaries and Expenses of International Joint Commission; Item 103—To provide for Canada's share of the expenses of studies, surveys and investigations of the International Joint Commission; and Item 544—Salaries and Expenses of the International Joint Commission—Further amount required; General McNaughton was introduced to members of the Committee and made a comprehensive statement concerning the work of the International Joint Commission.

Mr. White being summoned from the Committee, Mr. Kucherepa took the Chair. Upon his return Mr. White again assumed the Chair.

Following the questioning of General McNaughton and Mr. Cleveland, they were thanked and retired.

Items 102, 103 and 544 were adopted.

The question of the selection of paintings for Canadian diplomatic posts abroad having been raised, Mr. Matthews was recalled and questioned.

At 5:00 p.m. the Committee adjourned to the call of the Chair.

TUESDAY, August 19, 1958.

The Standing Committee on External Affairs met *in camera* at 10:05 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Garland, Herridge, Jones, Kucherepa, Lennard, MacLellan, Mandziuk, McGee, Paul, Richard (*Ottawa East*), Stinson, Valade, Vivian and White—(14).

A draft "Report to the House" containing the observations and recommendations of the Committee was read, and following discussion and amendment was adopted and ordered to be presented to the House as the Committee's "Second Report".

The Chairman thanked members of the Committee for their attendance and co-operation, and in turn, was thanked by Members of the Committee.

At 10:30 a.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

MONDAY,
August 11, 1958.

The CHAIRMAN: Gentlemen, will you please come to order. Let us commence our deliberations.

Mr. Matthews of the Department of External Affairs has some answers to questions which were asked during our last meeting. So I shall now ask Mr. Matthews to carry on from here.

Mr. W. D. MATTHEWS (*Assistant Under Secretary of State for External Affairs*): Mr. Chairman, I think these are the answers to a number of questions.

Mr. Richard inquired as to the wages paid to locally engaged chauffeurs in Moscow.

One chauffeur receives 25,800 rubles per annum, which is \$2,493.12 at the current rate of exchange.

Three other chauffeurs receive 24,000 rubles each which amounts to \$2,319.24 at the current rate of exchange.

I think everyone will agree that that is far below what it would cost us to send over and maintain Canadian chauffeurs.

Mr. Crestohl inquired whether any political refugees who have run away from iron curtain countries have recently sought asylum in Canada. No cases have recently arisen of political refugees seeking asylum in Canada. However, it is certain that many recent immigrants to Canada have been persons who have escaped from iron curtain countries, but they have been admitted to Canada as immigrants rather than as persons seeking asylum—for example, the Hungarians. They came in as immigrants and not by direct request for asylum. And there are probably some amongst the other immigrants from Europe who would be in the same position.

Mr. Herridge inquired whether there have been any cases in recent years where delegates to ILO conferences from Canada have been non-Canadians.

At the 36th meeting of ILO in 1953, one of the employers' delegates was an American citizen who had resided for some 40 years in Canada.

The same man was an adviser to the employers' delegate at the 39th meeting in 1956.

There was also a representative at a session of the inland transportation committee of the ILO in 1954 who was not a Canadian. There have been no non-Canadian representatives since those dates.

Mr. HERRIDGE: That non-Canadian was Mr. Harold Banks?

Mr. MATTHEWS: Yes. He was the representative at the inland transportation committee meeting in 1954.

Mr. HERRIDGE: It is an awful state of affairs to have a "bloke" like that representing us.

Mr. MARTIN (*Essex East*): What was this conference?

Mr. MATHEWS: It was the inland transportation committee of the ILO.

Mr. MARTIN (*Essex East*): Would he not have been selected by the unions and not by the workers?

Mr. MATTHEWS: Yes; he certainly was an employee delegate.

Mr. MARTIN (*Essex East*): I doubt if Mr. Herridge would want to express the view that the unions should not be entitled to have their own representative.

Mr. HERRIDGE: No, I am not saying that the unions should not be entitled to have their own representative, but in the first place, a Canadian union should have, as its representative, a Canadian citizen, and in the second place, it should be a person who had some standing in the country.

Mr. MATTHEWS: Mr. Vivian inquired concerning the relationship of UNICEF to WHO.

The united nations childrens' fund aims at assisting governments to develop permanent or long-range health and welfare services for children and mothers and in so doing it cooperates closely with the world health organization which is the agency primarily concerned with world health problems. UNICEF conducts mass campaigns where per capita cost per child is low aimed at controlling or eradicating tuberculosis, yaws, malaria, trachoma and other diseases to which children are particularly susceptible. UNICEF submitted all such programs to WHO for technical opinions as to their soundness. In addition any international technical staff required to carry out these programs is recruited by WHO and in most cases is paid from WHO funds.

The relationship between UNICEF and WHO is a very close one. There is a UNICEF/WHO joint committee on health policy which will hold a session in October of this year in Geneva. At this session it is expected that the joint committee will consider progress and policy issues in jointly aided programs in leprosy and trachoma. It may also consider malaria eradication and tuberculosis control (chemotherapy and the use of dried BCG vaccine) if it appears that a review of these subjects is warranted at that time.

I think that indicates how closely the two programs are working together, and indicates that there is no overlapping.

Mr. Dinsdale inquired concerning Canadian non-governmental contributions to UNICEF.

Canadian non-governmental contributions have been as follows:

1955 halloween campaign	\$15,000
sale of greetings cards etc.	\$13,000
1956 halloween campaign	\$42,000
sale of greetings cards etc.	\$17,500
1957 halloween campaign	\$75,000
sale of greetings cards etc.	\$19,700

Mr. Dinsdale inquired how many Canadian experts Canada had abroad. This question was, I believe, answered by a paper filed at the last meeting by Mr. Rosenthal.

Finally, Mr. Herridge asked whether pictures of Canadian chanceries and Canadian residences abroad might be made available to the committee.

I have two volumes of such pictures but I must ask that after they have been examined by members of the committee, that they be returned to the department as these are required in the operation of our supplies and properties division. I would like to have them back ultimately.

I think that disposes of all the questions that were outstanding.

The CHAIRMAN: Perhaps we can pass them around now and you may look at them carefully.

Are there any questions arising out of Mr. Matthews' answer today?

Mr. MARTIN (*Essex East*): I was not here when the question was asked about the overlapping between UNICEF and WHO, but I would like to say simply that it should be recognized that UNICEF depends for much of its revenue upon profit and contributions—as well as contributions from governments.

I have myself seen the results of both UNICEF and WHO particularly in the malaria districts—notably Thailand.

I am sure Mr. Dinsdale was not being critical when he asked that question, because these two organizations do such a tremendous work in south, and southeast Asia that there should be no misunderstanding about the fact that they do complement one another in those terribly diseased areas.

The CHAIRMAN: Dr. Vivian.

Mr. VIVIAN: Mr. Chairman, if I may correct the honourable member, it was my question, and I was merely asking for clarification.

Mr. MARTIN (*Essex East*): UNICEF provides the funds and WHO makes the disbursements.

The CHAIRMAN: Any further questions?

I am now calling item 102 dealing with the International Joint Commission, and item 103. We are glad today to again welcome to this committee General McNaughton. Those of you who were here last year and heard the General's very detailed explanation of the work of the International Joint Commission were, I believe greatly impressed. I understand that today he has decided to condense his summary, and I suggest you look up the minutes of the last meetings of this committee, if there is some detail that you wish to pick up.

Except for the work of the International Joint Commission, it is just possible that some of our control over some of our waterways may have before now slipped into the hands of Americans. I just want to mention that to you, and I will now ask General McNaughton to tell us of his work on the International Joint Commission.

We also have with us today Mr. Harrison Cleveland, from the External Affairs Department who is an expert on our relations with the U.S.A.

Without any further introduction, I am going to ask General McNaughton to make his statement now.

General A. G. L. McNaughton, M.C. (Chairman, Canadian Section, International Joint Commission), called.

The WITNESS: Gentlemen, before making a brief statement of the work of the commission during the past year, I would like to outline the financial estimates which have been presented for your approval.

As is shown in the blue book, the commission's funds are divided into two main votes, one for the administration of the office and the other to provide funds for the various studies and surveys which are being carried out for the commission.

Under the administration vote, a slight increase is shown due primarily to general salary and statutory increases. The other primaries show in general a slight decrease. Under the studies and surveys vote there are decreases in air pollution, principally because of the transfer of a senior chemist to another department. There is a nil item under the primary for Lake Ontario levels as the continuance of most of this work has now been consolidated under the international St. Lawrence river board of control. The Passamaquoddy tidal power project shows an increase this year because of the stage reached in the progressive development of the fisheries research required and also because of the related economic studies being carried out by the engineers with the aid of the university of New Brunswick. It is possible that a reference on the Yukon river will be given to the commission, and with this in view preliminary studies are being carried out for the IJC by the Department of Northern Affairs and National Resources.

In accordance with arrangements made some years ago, to simplify administration the item for the Columbia river studies appears under the estimates for the Department of Northern Affairs and National Resources. This year this item stands at \$227,780 which is a substantial reduction made possible by the completion of certain phases of the field work.

Passamaquoddy tidal power reference

On August 2, 1956, the governments of Canada and the United States directed a reference to the commission requesting the commission to determine the estimated cost of developing the international tidal power potential of Passamaquoddy bay, whether this would be economic, and the effects on the local and national economies. Particular attention was invited to a consideration of the effects which the structures in the bay would have upon the fisheries in the region.

The commission established two international technical boards, one to study the engineering problems and the other to study the fisheries aspects. Canada undertook to provide a total of \$300,000 to cover Canadian expenditures in relation to all aspects of the studies which were expected to require three years, but because of the particular importance of the Canadian fisheries in the area most of this money will be used in the studies of the fisheries problems. The United States will spend up to \$3 million mainly on the engineering studies. If the project proves feasible and is carried out, the funds used in the present investigation will be credited to each country in the amount expended.

The commission visited the area last year and since then has received periodic reports from the engineering and fisheries boards. Test drilling is being carried out to determine foundation conditions. A number of possible plans have been developed, one of which has been selected for comprehensive study.

Investigations carried out by the fisheries board have established that the herring spawn outside of the project area, but the young fish enter this area to feed. Studies are continuing as to the effects the selected plan may have upon the feeding habits and the migration of the fish.

I am pleased to report that the fisheries and engineering boards are working in close cooperation, and in mutual understanding and sympathy with the problems of the other.

It is planned that at the time of the semi-annual meeting of the commission in October, which will take place in Ottawa, the commission and the board will meet to review progress, and for a general discussion.

In connection with the memorandum, for convenience I am going over the various projects from east to west.

St. Croix River reference:

The Canadian and United States governments, on June 10, 1955, sent a reference to the commission directing it, in general terms, to study the redevelopment of the St. Croix river basin for the improvement of the use, conservation and regulation of the waters of the basin.

According to the usual practice of the commission, an international engineering board was established to carry out the detailed investigations and studies required. Since these included serious questions of water pollution, and fisheries rehabilitation, experts in these aspects from each country were included in the membership of the board.

In October of 1957, the commission received the board's preliminary report and in April of this year, after further discussion with the board, the commission issued a notice of public hearing setting forth in broad outline the proposals of the board for the improvement of conditions on the river. This was sent to all persons known to be interested in the questions at issue.

This hearing was held on June 27, 1958, at Calais, Maine, when the commission heard comments from all the interested parties. The information received is under study and review by the commission and the engineering board with a view to determining the conclusions which it is expected will be presented in a joint report to the two governments in the near future.

Saint John River reference, 1950, as amended July 7, 1952:

As I mentioned last year, an interim report relating to the development of the Saint John river was presented to the two governments on January 27, 1954. Since that time the engineering board has continued to keep the commission informed in regard to new developments in the basin.

In this connection, I would mention that the Beechwood project, which was recommended in the interim report, has been constructed by the New Brunswick hydro-electric commission and placed in operation with two units installed. Provision for a third unit has been included in the design for installation when additional upstream storage becomes available.

Among other matters the commission recommended that it would be mutually advantageous to provide electrical interconnection between the power systems in New Brunswick and Maine, and arrangements to this end have been approved by the Canadian and United States authorities concerned and are now in operation to a limited extent.

St. Lawrence power project:

Under date of June 30, 1952, the commission received applications from the governments of Canada and the United States in similar terms for the issue of an order of approval, under the terms of the jurisdiction conferred on the commission by the Boundary Waters Treaty of 1909, covering the construction of works across the international boundary in the St. Lawrence river at Barnhart island a short distance upstream from Cornwall, Ontario.

The commission's jurisdiction does not extend to the works for navigation in the St. Lawrence seaway, but the commission was invited by the governments to facilitate this undertaking.

The commission's order approving the power works was issued on October 29, 1952, and after some delay consequent on litigation in the U.S.A., New York State power authority was named as the U.S. entity and the work of construction was placed in hand jointly with the hydro-electric power commission of Ontario.

As members will know, closure of the dam structure was made on July 1 last and with the raising of the pool generation of power commenced. Work on the completion of the power plants and navigation channels continues on schedule, and it is expected that the channels will be completed to the 27-foot basis by next spring.

Under date of July 2, 1956 the commission issued a supplementary order of approval clarifying requirements for the regulation of the St. Lawrence river to provide for the protection of downstream and upstream interests. The commission, with its international St. Lawrence river board of control, has continued its studies of these matters, and under date of July 14 last, technical approval was given to a system of regulation known as plan 1958-A which the commission is confident will fully satisfy all the criteria laid down by the commission in its order of approval of October 29, 1952, and its supplementary order of July 2, 1956, for the protection and benefit of all interests downstream and up.

Mr. Chairman, at this point I wish to pay tribute to the devoted service of the engineers of both countries who have been engaged on these studies for many long years and to whom we are indebted for proposals which the commission has been able to accept with every confidence and satisfaction.

I might mention that the commission's objectives which have been approved by the governments are set out in its order of approval, and provide for the greatest possible generation of power at Barnhart island consistent with raising low levels in the interest of navigation, and reducing high levels in the interests of property owners along the shores of Lake Ontario and the upper portion of the international section of the St. Lawrence. All this must not adversely affect the riparian owners and other interests downstream from Barnhart island, including Lake St. Louis and the port of Montreal.

The range of mean monthly stage on Lake Ontario which has been recommended by the IJC and prescribed by the U.S. and Canadian governments runs from 244.0 to 248.0, as near as may be. This compares with a mean monthly range in nature of 242.68 to 249.29. The contraction reduces the storage available for the production of power when compared to the natural range of stage, but it is expected that the improved regulation of flows will give substantial benefits in compensation.

The St. Lawrence river is, naturally, one of the best regulated rivers in the world and because of the large storage capacity of the Great Lakes, spring floods are very much smaller than in rivers of comparable size elsewhere. In a stream already so well regulated the problem of further improvement is difficult. Nevertheless, the commission expects that the natural range of stage of 6.61 feet will be reduced to 4 feet as desired by the governments under control from the Iroquois regulating works located a few miles upstream from the power dam.

With the technical approval of plan 1958-A the commission is ready to place the regulation of the St. Lawrence in effect. There remains the question of responsibility for the operation of the regulating works at Iroquois. A decision on this point has been sought from the governments, and I expect this matter will be cleared shortly with a view to initiating Plan 1958-A as soon as practicable.

Lake Ontario levels:

Closely related to the St. Lawrence power project is the question of the Lake Ontario levels.

Members of the committee will recall that in 1952 the levels of lake Ontario, then not under any control, became so high that damage occurred to properties along the shore, both in Canada and the United States.

In consequence the governments of Canada and the United States directed the commission to study the matter, with a view to proposing means for reducing the extremes of stage which had been experienced in the past. Particular information was requested in respect to Gut dam, a small structure across the international channel between Adams and Galops islands in the St. Lawrence which had been built many years ago to facilitate the operation of the Canadian 14-foot canals, and which had been asserted to have had a material effect in raising levels. In the reference the governments instructed that these studies were not to delay the St. Lawrence projects for power and navigation.

In order to proceed expeditiously the commission established an international Lake Ontario board of engineers to assemble the factual data required, and to study the possibility of setting up a method of regulation which could give the desired effects.

Most of the work of this board has now been completed, and its report on the requirements for regulation of the levels of lake Ontario and its suggestions as to various plans which might be adopted was passed last year to the international St. Lawrence river board of control which had the responsibility of taking these requirements into consideration together with the needs downstream on the St. Lawrence and then evolving a specific plan which would satisfy conditions both upstream and down.

This, as I have reported under the St. Lawrence power applications, has now been done.

The only other matter remaining before the Lake Ontario board of engineers is the report on the effects on Lake Ontario levels of various changes in the outlet, including Gut dam, the studies of which are now complete with a report well in hand and expected to be presented to the commission shortly.

Air Pollution Reference, 12 January 1949

The reference from the two governments dealing with the problem of the pollution of the atmosphere in the Windsor-Detroit area was given to the commission on 12 January 1949 and I wish to report that the work of the technical advisory board is now almost completed so that it is hoped that the commission will be able to make its report to the governments during this fiscal year.

The primary task of the commission was to ascertain whether vessels plying the Detroit river were polluting the air by discharging excessive smoke and, if so, to recommend corrective measures. It has been shown that some vessels were polluting the air but also there were other contributing factors to the pollution problem.

In so far as the ships are concerned, I am pleased to say that, through the voluntary cooperation of the shipping companies, the objectives for smoke emission proposed by the technical advisory board and approved by the commission have been met by all but a relatively small number of the smaller ships. This reduction in vessel smoke has cost the shipping lines a considerable amount of money. The small hand-fired coal burning vessels which still do not comply with the objectives are mostly old and obsolescent and their conversion to cleaner firing methods does not appear to be economical at this time.

In the circumstances, the commission's purpose has been to seek to prepare proposals that would best suit the conditions existing after the seaway is opened next year and meanwhile to secure the best possible performance of these smaller canal type hand-fired ships short of restrictions which would stop their use prior to that time when it is expected that most of them will be withdrawn from service in the face of the competition of the larger and more economical ships which then will be able to sail from Montreal to the lakehead.

The commission held a hearing in Detroit in February of this year to discuss, with the ship owners, the draft recommendations of the technical advisory board. We had then, I believe, a very frank and useful exchange of views.

It appears that in the United States there are doubts as to whether the enforcement of smoke abatement legislation is a matter for the state or federal authority. In Canada, however, it seems clear that the authority to regulate the amount of smoke emission from ships rests with the federal government. Also, the respective Canadian and United States ship owners associations seem to have somewhat different ideas as to how the present smoke emission objectives should be enforced. However, I can report a high degree of cooperation between all agencies interested and I feel that a satisfactory solution will be reached eventually.

For my own part I would suggest that, regardless of which agency or agencies is to enforce any regulations that might be enacted, these regulations should be on the basis of a uniform code of permissible smoke emission for all parts of the seaway in both countries from Montreal to the lakehead. I do not think that ship captains should, upon entering the seaway at Montreal, be confronted with a multiplicity of codes, with possibly differing requirements for equipments, with which they would be expected to comply in succession.

The commission will continue to maintain its laboratory at Windsor for the study of smoke during the present fiscal year to ensure that the service of collecting relevant data is continued and to advise ship captains traversing the Detroit river when they are exceeding the permissible smoke emission objectives.

Water Pollution

Article IV of the Boundary Waters Treaty of 1909 reads in part that "boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other", and it is under this article of the treaty that the commission has made two reports to governments and continues to exercise supervision in this matter in the connecting channels of the Great Lakes.

The first report of the commission on water pollution was made in the 1920's and in that report the commission suggested that it be given the responsibility to enforce regulations which it proposed. Fortunately, I think, this proposal was not acted upon by the governments as it would have involved the establishment of some kind of international regulatory force and this, I believe, would have raised many legal and constitutional problems and difficulties.

It was in 1946 that the commission was again directed by the governments to study the water pollution problems in the connecting channels of the Great Lakes and in 1950 the commission submitted its report recommending certain "objectives for Boundary Waters Quality Control" as the criteria to be met in satisfying Article IV of the treaty of 1909, part of which I have quoted. The commission also recommended that it be given authority to undertake continued supervision of the waters in question and to bring to the notice of competent local authorities in the two countries all cases of pollution in excess of the objectives whether caused by municipalities, factories, or other industrial establishments.

These recommendations were approved by the governments and since that time the commission, through the good offices of its various advisory boards, has been able, largely by suggestion, to bring about a marked improvement in lessening the amount of pollutants being dumped into these channels particularly by industrial establishments. I cannot as yet report satisfactory progress on the cleanup of the sewage problem by Canadian municipalities but I do express confidence that with the institution of the Ontario Water Resources Commission, with which body we are in close touch, progress will be made to match that being achieved in the United States. Already a number of Ontario communities along the Great Lakes connecting channels have applied for assistance to construct sewage disposal plants and still others are at least making plans which we may hope will eventually be carried out.

It is, I think, very important that our international obligations in respect to the pollution abatement of boundary waters should be promptly and fully discharged.

Souris River Reference, 1940

As I mentioned last year, the Souris river is a small stream by comparison to some of the other streams along and across the boundary with which the International Joint Commission is concerned. Nevertheless despite its small size the Souris is of vital and growing importance to the people living in south-eastern Saskatchewan, northern North Dakota and southwestern Manitoba through which it flows on its way to Lake Winnipeg and Hudson's Bay.

The reference of 15 January 1940 requested the commission to seek a just apportionment of the waters of the river between the three political entities concerned, but because of the absence of hydrological data the basis for a final apportionment was not readily apparent. Therefore, in 1940 the commission recommended an interim apportionment to take care of the immediate needs of the people, particularly the people in Manitoba who were suffering then from an extreme shortage of water.

Since that time the commission has been endeavouring to work out some acceptable system of apportionment. This, to date, has not proved possible, but the commission did submit on 19 March 1958, a further interim report to

governments which in effect, I believe, provides on a temporary basis a method of division which will satisfy existing requirements, in the state of North Dakota and in the provinces of Saskatchewan and Manitoba.

Columbia River Reference, 9 March 1944

I now turn to the question of the development of the Columbia river basin, a question which I know has interested the members of this committee and, indeed, the general public.

Before commenting on the events of the past year, I feel that I should mention the background which led up to the reference of 1944 from both governments.

You will remember that in the 1930's there was a strong movement in the United States to develop the land along the Columbia river by irrigation for farm purposes and Coulee dam was proposed to provide a reservoir from which water could be pumped into the prehistoric channel of the river known as Grand Coulee and also hydroelectric power could be obtained to attract industries to the area.

This project was started in 1933 or thereabouts and the first power came on the line at just about the time the United States entered the Second World War. With this additional block of power, war industries, such as the Aluminium industry and the atomic energy plant at Hanford were set up in the area and a heavy new demand for power was created. That demand for power continued and continues to increase and in 1944 the United States government and the Canadian government submitted a reference to the commission to ascertain what further development could be made of the river both to supply this forecasted increased demand for hydro power and to meet developing needs for irrigation, fish and the like.

The commission thereon established the International Columbia River Engineering Board composed of federal engineers from both countries which in turn established working committees now composed of engineers from federal, provincial and state organizations.

Up to that time the Canadian portion of the river had not been fully surveyed and the first efforts in Canada were directed to ascertaining the topographical, geological and hydrographical facts necessary for the study under hand.

This has been done and today the engineering board and its working committees are completing their studies as to the various alternative projects by which power can be developed in the basin. I expect the board's report will be received by the commission in late November or early in December, and then the commission will take it under close study. I expect that the report will be made public in preparation for public hearings in the basin during the calendar year 1959.

With this report available, everyone interested will be supplied with the basin data necessary to an objective discussion of the problems at issue.

In the engineering board's report three sequences of projects have been selected for detailed study all with the purpose of maximizing the production of power in the basin. One of these envisages the positioning of the storages of the waters of Canadian origin which might be most beneficial to the United States; another, the positioning of storage which will be most beneficial to Canada and which will make it possible for Canada to obtain the best use of Canadian water in the interest of Canada which means British Columbia; the third is a compromise.

In the United States, studies are in progress in connection with a revision of their 308 report. These will no doubt develop plans which will be to the best advantage of the U.S.

Since most of the beneficial effects to power from Canadian water which can be obtained in the United States derive from Canadian storage and the possible regulation of flow in the interest of power production, it has been agreed that particular attention will be given to the possibilities of interconnection of Canadian and United States transmission systems and the cooperative use of Canadian storage with the return to Canada as downstream benefits of a portion of the extra power thereby generated.

The commission has just completed a 2,000 mile traverse of the Columbia and Kootenay basins during which we were able to view nearly all of the possible dam and reservoir sites, and the commissioners and the advisers who were with us were enabled to have most useful discussions on the ground of the various problems which require solution.

The presentation of the engineering board report will mark the culmination of a long continued effort in the collection and assembly of basic information, other required data and its analysis in detail related to the wide range of problems which are before the commission concerning power production, flood control, irrigation, fish, wildlife, recreational facilities, etc.

I bear tribute to the personnel both of Canada and the United States who have carried through their great task. They have given most able and valued service, and I feel they have laid the ground work for an agreement between the two countries which could result in immense benefits to each and in which I hope the commission will be able to propose an equitable basis of allocation.

Mr. Chairman and gentlemen, I have confined my remarks to a very brief sketch of what is actively proceeding under the auspices of the commission in the various regions from the Atlantic to the Pacific.

I now place myself entirely at your disposal, sir, to answer any questions on any parts that you may care to ask.

Mr. HERRIDGE: Mr. Chairman, I would suggest, in order to have a logical form of questioning, we should start with the first project mentioned by General McNaughton and ask questions in regard to that, and then proceed to the other sections. Otherwise, the questions will be all mixed up.

The CHAIRMAN: Mr. Herridge, you took the words right out of my mouth. I was going to suggest that we proceed from east to west.

Mr. HERRIDGE: It is surprising how wise men think alike.

By Mr. McCleave:

Q. Mr. Chairman, I wonder if I may ask a question regarding the Passamaquoddy? This is not in my province but I do not believe there are any members from New Brunswick present.

Is it your understanding that a place has been found in Passamaquoddy bay in which the footings might be secure enough for one of these dams, General McNaughton?—A. That is correct. The engineers are now satisfied that these dams could in fact be built.

This involves a matter of building dams in some places in 12 knot currents in up to 200 feet of water with marine clay coverage of the foundation rock in places from 50 to 70 feet. This is a matter of very considerable difficulty. However, the engineers are satisfied that the difficulties can in fact be overcome.

The real question at issue is one of economics. Is this worth while or not? That is the subject of study; finding a particular layout which the commission, on the board's recommendation, approves as giving the most possibilities for the greatest amount of power.

These studies in regard to economics and practicalities are proceeding.

I would not like to indicate at this stage—it would be quite wrong to do so—that we are satisfied with the economics. We simply do not know at this stage.

By Mr. Jones:

Q. I do not want to be unnecessarily curious, Mr. Chairman, but I notice in the corner that there is a number of things that look like maps. Last year when General McNaughton appeared before this committee he had an excellent number of maps with him that greatly assisted the committee in discussing these matters. If those could be presented at the time these matters are under discussion I think it would be of great assistance to us?—A. I do not know whether I can pass this map around or not, but this shows the outlines of the Passamaquoddy and various installations.

The low pool is largely located in the United States. The high pool is largely located in Canada.

The method of operation of the project is that the valves in these upper dams work inwards so that as the tide rises, the water flows through the passages into the high pool. As soon as the currents drop to zero, at the upper dam the valves close and remain closed during the low stages of the tide.

The low pool works exactly in the opposite manner.

The emptying dam is located at the seaward part of the lower pool. These valves work outwards. Whenever the tide is low any water which has got into this pool drains out.

The powerhouse is situated across the narrow neck in between the two pools.

The contemplated installation will produce about 300,000 kilowatts.

It is of interest that even with the two pool scheme—one pool kept constantly high and one pool kept constantly low—we still are not able to achieve a uniform flow of power, either in the daily or in the various cycles of the moon. In consequence, before we can expect a tidal power scheme to be economical, some means of firming up that power must be found. That is, we must make the products of the plants uniform so that we can meet power demands of industry and so on in the area.

There are two means suggested in regard to that firming up. One means is to build a pumped storage plant somewhere north of the tidal project. That possibility is being investigated.

The other means of doing this is to take advantage, in relation to the Passamaquoddy project, of the possibilities for very large storage on the Saint John river above Fort Kent at a place called Rankin rapids.

The topography of the region gives hope that somewhere between 1.4 million and 2.6 million acre feet of storage could be created. That storage used down the Saint John river through the plants, which no doubt would be built to give additional capacity to the present plant at Beechwood, could be so timed as to be complementary to the tidal power project and so serve the region to good advantage.

Gentlemen I would not like to take the responsibility for forecasting the outcome of these studies, but the authorities are still in the process of taking the information, which the engineers have supplied, and putting it together in order to consider the practicalities of the project, most particularly from the point of view of economics. There is no use having great projects unless they can be economical in serving the people of the region.

One of the things that we are anxious about, of course, is the use of the storage on the Saint John river. That is the primary reason for the reference to the Saint John river being kept open.

The commission did, in our report to governments in 1954, recommend the development at Rankin rapids for storage. If this was done it would be the key to these other great possibilities on the Saint John river at various sites.

We are particularly interested in that aspect of this investigation at the moment.

I might say that we are in the closest touch, and continue to keep in touch, with the government of the province of New Brunswick and the power commission there. There is a constant interchange of information, and studies are continually going on. I do hope that in the end something of value to the province of New Brunswick will come out of this.

By Mr. Kucherepa:

Q. Are you conducting cost benefit studies on this project?—A. It would be fair to describe these studies as cost benefit studies. Actually, what would be compared would be the costs of the supply of power from the tidal power project as compared to other alternatives which are open.

The CHAIRMAN: Are there any further questions on the Passamaquoddy project? If not, let us pass on to the St. Croix river reference. Are there any questions on it?

The WITNESS: This is a map of the St. Croix region. The St. Croix river constitutes the boundary between the state of Maine and the province of New Brunswick.

It was at one time a very fine salmon river, but there are now a number of industries in the region which are mostly pulp and paper mills located in the state of Maine.

Unfortunately it has happened—as it has happened in so many other places—that the refuse from these mills has polluted—and very seriously polluted the river.

Now the two governments have asked us to give consideration to cleaning this matter up and to rehabilitate the running of the anadromous fish and to improve the basin from the recreational point of view, and naturally to make our plans in such a way that there would be no undue adverse effects on the industries of the region.

By Mr. McGee:

Q. What kind of fish are involved?—A. Salmon. That is an anadromous fish which spawns in fresh water but which goes to the sea for the purposes of growth and then returns to fresh water again. In this case it is the Atlantic salmon.

Q. This has had a deteriorating effect on the Atlantic salmon fisheries?—A. It has eliminated them, and wiped them out on the St. Croix.

By Mr. Murphy:

Q. Are the head waters in the United States?—A. Some of the waters of the main river are. The main river runs up here until it reaches this lake which is half in Canada and half in the United States. These lakes and the tributaries are all in the United States (pointing to the western portion of the basin).

We have had, as I have informed the committee, very good public hearings in the earlier part of the year. We also have this board composed not only of hydrological engineers but we have also had fisheries and pollution experts on it from each country.

The engineers in this case have come forward with very positive recommendations as to what the two nations should do.

These recommendations are now in the process of being reviewed in the light of the observations of the people in the locality in both countries. Very shortly I hope we shall be able to present the governments with constructive reports.

By Mr. Kucherepa:

Q. Without asking you to disclose any information at this time which should not be disclosed, may I ask what general measures should be employed to solve a problem of pollution, such as the one you have described?—A. Pollution which comes from pulp mills is of many sorts.

First of all, there is the bark which is stripped by the barkers, or which comes off the logs when they are driven down the river, and which bark becomes waterlogged and forms a deposit all over the bottom, and becomes refuse on which the fish cannot spawn. It also is very objectionable for recreational purposes.

The answer to that is, first of all, to adopt modern methods of delivering the logs. The river is not necessarily the best means of moving that kind of pulp wood. It is better—although it may be a little more costly initially—to put the logs on trucks and to deliver them right into the enclosed ponds at the mills, from which they may be picked up. So there is a complete answer to that.

The next problem down there is the waste which comes from the stills in which the wood is digested with chemical solvents which are put in.

You can imagine that in a small river such as the St. Croix where the yearly average flow is from two to three thousand cubic feet per second—and sometimes a good deal lower than that—that if spent digesters put this liquid into the river, there are not many fish which will live anywhere.

There are ways and means by which that problem can be handled, however, they are somewhat costly.

I would like to say that we have to be careful in our recommendations so that no burden is thrown on an industry which might result in its being destroyed, because the livelihood of a great many people in the region depends on employment in that particular industry. So these matters cannot be approached altogether from what is theoretically desirable.

The commission has the practical responsibility to make sensible plans and recommendations, and that is what we are trying to do.

By Mr. McGee:

Q. How does the size of the St. Croix river compare to the size of the Ottawa river here?—A. The Ottawa river is five times bigger. The Rideau river would be more like it.

By Mr. Murphy:

Q. With respect to these rivers which have their head waters in the United States, has there been any attempt by the United States to apply the Harmon doctrine in their dealings with Canada?—A. In this basin article two of the treaty does not apply because the St. Croix is a boundary water or stream.

The Harmon doctrine only applies in the case of rivers which flow across the boundary. So we have not been concerned with that particular problem in this basin.

Q. I meant—since we are discussing rivers—I was referring particularly to rivers that originate in the United States and have their head waters in the United States yet which flow into Canada—if the United States has made any attempt at any time to apply the Harmon doctrine such as is did with Mexico and indeed with Canada?—A. I would answer you in the most positive affirmative.

The first case of the sort was the closing off of the flow out of Chamberlain lake on the upper Allagash which reversed the flow into the Allagash river a tributary of the Sain John, and sent it into the Penobscot, in Maine.

It would be within the memory of the people from New Brunswick that that caused a great deal of annoyance to the people of the region, particularly to lumbermen, because these flows were required at the time to carry timber down to the main stem of the Saint John river, and it was most important for traffic.

In fact, it got to the point where, in this case, the people concerned took the law into their own hands and a gentleman who was afterwards a member of parliament, put some dynamite in that very dam and caused it to be removed.

Q. That was in 1930?—A. It was a little earlier than that, sir. Anyway the dam was restored, and the diversion was put into the Penobscot, and it goes down that route and continues to generate power.

One of our difficulties in that particular incident was that it preceeded the treaty of 1909.

By the terms of the treaty of 1909 we are debarred from going back into past history of what went on before. But that does not prevent us from recalling it for the purpose of instruction.

Q. That is not the only incident in which the Harmon doctrine was applied?—A. No sir. I can give you a more recent one, if you would like me to mention it.

Q. First of all, would you please explain to the committee just exactly what the Harmon doctrine is so that they may understand it.—A. The Harmon doctrine is, in essence, an assertion by the United States of complete sovereignty over the waters of the United States while within the United States; it is an assertion of the right to divert those waters and to turn them to the fullest account of the United States without giving an account thereof, to anybody else.

This doctrine has been asserted on many occasions. It is only practical, of course, in regions where the United States is the upper riparian owner of the watershed, and where the water crosses the boundary. It seems now people realize that in most of the areas of real interest, like the Columbia basin, indeed in the St. John basin, and other regions along the boundary, it so happens that Canada is the upper riparian owner of the watershed. So, as soon as this has been realized, we have seen a remarkable change of attitude.

Mr. McGEE: We can invent a doctrine too.

Mr. HERRIDGE: We don't need to invent one.

By Mr. Murphy:

Q. Does not the United States recognize our right to divert waters that have their head waters in Canada?—A. Article II of the treaty is a very interesting prescription of the rights of the two countries. We believe, and our advice is, that we have jurisdiction and the right to divert waters within Canada. We have asserted it. There have been a number of discussions in legal circles, official and otherwise, in which this right has been contested, and we believe as of now there is a general acceptance of our right to divert waters within Canada, subject to the conditions of article II of the treaty.

I think it might be worth while if I were to read an excerpt from that treaty into the record:

Each of the High Contracting Parties reserves to itself or to the several State Governments on the one side and the Dominion or Provincial Governments on the other as the case may be, subject to any treaty provisions now existing with respect thereto, the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line which in their natural channels would flow across the boundary or into boundary

waters; but it is agreed that any interference with or diversion from their natural channel of such waters on either side of the boundary, resulting in any injury on the other side of the boundary, shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where such diversion or interference occurs; but this provision shall not apply to cases already existing or to cases expressly covered by special agreement between the parties hereto.

It is under that last clause that we have had no right in regard to the diversion of the waters of Chamberlain lake.

By Mr. McGee:

Q. There is one other question I wanted to ask the General before we leave the St. Croix. Is it possible to float logs in a clean manner downriver so the pollution does not come into the river and kill thousands of salmon?—A. I understand that can be done, but at heavy expense. They can be floated down, provided the logs are peeled first. But that is a heavy burden to be placed on the industry.

I think it has become evident that in the St. Croix basin, sufficient good roads exist, and it would not be too much of a hardship to move the pulpwood to the side of the mill by truck now, and avoid this business of floating the logs down. It is not the bark that causes the trouble; it is the sinkage. The bed of the river is cluttered up with logs. If they want to re-establish the salmon run—and it was one of the finest rivers in its day—someone will have to go into the river and pull those old sunken timbers out.

By Mr. Murphy:

Q. Mr. Chairman, I have a couple of questions respecting diversion. The first one: in view of this Ontario waters commission which has been set up—and I guess Lake Huron and Lake Erie are boundary waters—will there be any restriction on that commission taking the water from either lake, to supply cities and towns?—A. You are referring to taking water for pollution abatement?

Q. Well, for instance, St. Thomas wants to be assured of a supply of water. There is a movement afoot now to get that up from either Lake Huron or Lake Erie, not only to supply St. Thomas, but London and many other towns.—A. There is not any question the St. Lawrence basin and these lakes you have mentioned come under the category of boundary waters.

Q. That is right; you just quoted article II.—A. Well, article II has no application to boundary waters. Article II applies only in the case of rivers which flow across a boundary. These boundary waters come within article VIII of the treaty, in the question of priorities, which states:

“The following order of precedence shall be observed among the various uses enumerated hereinafter for these waters, and no use shall be permitted which tends materially to conflict with or restrain any other use which is given preference over it in this order of precedence—”

And then the order of precedence is:

- (1) Uses for domestic and sanitary purposes;
- (2) Uses for navigation, including the service of canals for the purposes of navigation;
- (3) Uses for power and for irrigation purposes.

It has been under these sections of this article VIII that all these projects have gone on in Canada. The use of which you speak would appear to come under uses for domestic and sanitary purposes. As long as it is used, having regard to this purpose, I would not imagine there would be any difficulty about it.

Then, when you come to consider the problem we contemplate, it is not really unrelated to the vast project of the St. Lawrence seaway.

Q. I have no idea—it is only a guess by the engineers, but the amount of water to be taken is not an alarming figure at the moment.—A. The figure is very small compared with the flow of the St. Lawrence, and under the treaty—

Q. There is something that is confusing to me. Lake Huron is partly in Canada and partly in the United States; yet Lake Michigan is wholly within the United States, and without any reference to Canada or the International Joint Commission, they can, of course, divert an additional flow of water which affects the level of the Great Lakes. I wonder if you can explain how that comes about?—A. This particular matter is not actually before the International Joint Commission at the moment, although I do not pretend that we are not thoroughly familiar with what is going on. I think, since this subject of Lake Erie has been under discussion and has been a very live issue, and I have been away for the past three weeks, I would suggest Mr. Cleveland might answer that.

Mr. HARRISON CLEVELAND (*Department of External Affairs*): Mr. Chairman, I think the point, as General McNaughton began to say a few minutes ago, was that there is a distinction drawn in the treaty between article II and article III. Whether the distinction is one which is good in logic, I suggest, makes no difference.

It is like any other agreement, or any other treaty; the parties can agree to whatever they decide. One of the points is that there has been a distinction drawn between the kinds of water, one kind of water which runs along a boundary, one runs across a boundary and crosses at a certain point. Those are two things you have to keep separate. The one that runs across a boundary at a point, or runs into a boundary water at a point, comes under article II, which General McNaughton read a few moments ago. As he says, the interpretation which has generally been given to that by the Canadian government has been that it means what it seems to say on this basis, that there is a certain right in the upstream state to divert water while it is in that state, without actually having to make any request of the downstream state.

The other situation is, of course, a boundary water; where a boundary runs between the countries, usually right down the centre of the body of water. Article II seems to be the appropriate article to invoke when you are dealing with the matter of a diversion of water. Lake Michigan comes under this article. The government of Canada some fifty years ago decided to agree with the government of United States that Lake Michigan was different from Lake Huron.

Mr. MURPHY: Who negotiated that treaty for Canada—Lord Bryce, was it?

Mr. CLEVELAND: Well, I think a Mr. Gibbons was the man who was doing the work in Canada, as far as I can recall. It went through various government departments.

Mr. MURPHY: Well, the government of Canada had their right to say something, did they not?

Mr. CLEVELAND: From reading the record they had quite a good deal to say at the time.

Mr. MURPHY: I thought the treaty was actually negotiated with England acting for Canada and Lord Bryce as ambassador?

Mr. CLEVELAND: I think, Mr. Chairman, the document will bear me out when I say that the actual drafting was done on our side, by Canadians. It is true that at that time, of course, in negotiation we dealt through London, and the United Kingdom ambassador in Washington.

Mr. MURPHY: And is it right that they can divert or are diverting about 1,000 cubic feet or 1,500 cubic feet?

Mr. CLEVELAND: At the moment I understand in accordance with an order of the Supreme Court of the United States in 1930, there is a diversion taking place at Chicago of 1,500 cubic feet per second, on the average, plus another 1,600 or 1,700 cubic feet per second, which is known as domestic pumpage. So the total amount of water going into Chicago runs around 3,200 or 3,300 cubic feet per second.

Mr. MURPHY: But it is a fact that they can increase the diversion there from that lake, without having any conference or consultation with Canada?

Mr. CLEVELAND: Subject to the provisions of article II of the boundary waters treaty which provides two things—first of all, that if it is feared that there will be an effect upon navigation, the downstream state may “object”, whatever that may mean, and, secondly, that if damage is done downstream, certain legal rights are created to go into the courts of the country in which the diversion takes place.

Mr. MURPHY: You would not be very apt to get damages in the United States, suing in a United States court?

Mr. CLEVELAND: Well, Mr. Chairman, I notice there are several lawyers here, and I think they would agree that to predict the outcome of a horse race is easy, but predicting the outcome of a lawsuit is dangerous.

Mr. MURPHY: Is there not an act before Congress allowing for another 1,000 cubic feet per second?

Mr. CLEVELAND: I believe it is before the United States Senate at the moment.

Mr. MURPHY: What effect will that diversion have on our hydro potential and the St. Lawrence seaway?

Mr. CLEVELAND: It would have an effect. The measurement of the effect is something that I would not try to give precisely because it requires examination of engineering tables. It varies with the lapse of time from the moment that the abstraction of the water begins, and it continues for a certain period after the abstraction of the water ceases—diminishing gradually. It also has a different effect at various points downstream. So that a simple answer of that sort is not a correct answer.

Mr. MURPHY: Has there been any survey made of the increased barge transportation on the Mississippi on account of the increased diversion? How is that going to affect the St. Lawrence seaway?

Mr. CLEVELAND: We have not, of course, made any surveys of that. There is a survey, as I think Mr. Murphy knows, of the corps of engineers of the United States army about one and a half years ago, which does go into that question, and as I read that report, there is very little advantage to navigation on the Mississippi River from the amount of water which might be added by a diversion at Chicago.

Mr. JONES: It is article II that Senator Neuberger wishes to emasculate in regard to the Columbia river and that Chicago wishes to keep in the case of the St. Lawrence.

Mr. CLEVELAND: I think Senator Neuberger has referred to article II of the boundary waters treaty as having to have similar application to rivers which rise in Canada and cross the boundary, and to the abstraction of water from Lake Michigan at Chicago.

Mr. MURPHY: Mr. Cleveland, is it not according to the corps of engineers—and I have heard them make the statement—the extra diversion they want is for navigation, and not for sewage disposal purposes?

Mr. CLEVELAND: Well, Mr. Chairman, our impression and understanding is that the primary concern is to use this water for the purpose of carrying on

certain experiments with respect to improved sewage disposal at Chicago. If I recall correctly, it is related to navigation to this extent, that shipping or barges using the canal are finding it disadvantageous to have polluted water from which to draw; and to that extent it is tied in with navigation.

Mr. MURPHY: Have you any idea or is there anyone in your department who can give us any information in respect of Canada's position, say, in the harbour installations and so on, if this diversion is allowed to continue to increase?

Mr. CLEVELAND: I think, sir, the answer is simply this: to the extent that water is withdrawn where there is a tight fit at the present time, additional dredging would have to be done to that extent in order to give you the amount of protection which you have at the present time. This would vary from harbour to harbour. It would vary directly with the amount of water extracted.

Mr. MURPHY: Is there any way in which we can increase the flow into Lake Superior or into other of the Great Lakes in order to increase and maintain a level within three or four feet?

Mr. CLEVELAND: We have all the water we can get into Lake Superior now by now the Long Lac and Ogoki those last two diversions. This matter has been discussed with the Ontario Hydro Electric Commission with respect to adding any water to Lake Superior which could be added. They have assured us that if they could do so they would be delighted to divert more water from the Albany watershed into Lake Superior, but they cannot undertake to provide a dependable diversion of water because they are getting now as much water as is there available for diversion.

Mr. MURPHY: Did we make any protests or representations to the United States regarding this latest application for diversion?

Mr. CLEVELAND: Representation was made to the United States government on January 6, 1958. I believe a copy of that was printed as an appendix to Hansard on August 2, this year.

By Mr. Murphy:

Q. You mentioned a moment ago about damage to Lake Ontario residences due to high water. Is there any indication of—perhaps this is not a fair question. I have an idea that the United States residents, residents of New York, were placed in a position where they could claim damages from some body, perhaps the government. Could they?

General McNAUGHTON: The matter of the levels of Lake Ontario was made the subject of a reference to the international joint commission to study the matter and to report. That reference was made almost simultaneously with the applications for the construction of power works in the St. Lawrence. At that time the commission was told that the study of this complicated business of the levels of Lake Ontario was not to delay the power applications. We have governed ourselves accordingly in the commission.

As I reported earlier today, the studies on what is known as the Lake Ontario reference are almost complete. They were done very exhaustively and the results in respect of the various effects on the levels and on navigation works and so on, including the Gut dam, will very shortly be given to the governments in the form of very comprehensive reports. In advance of its being passed by the commission, I do not think I should go into that subject.

Q. I will not pursue the question. While we are on this area, Mr. Chairman, the General referred to pollution. I come from the Sarnia area in western Ontario. You, I know, are cognizant of what the industries have done there to meet the regulations which have been established. That has been pretty much a success.—A. I would pay the greatest tribute to the way in which the

industries on all the connecting channels have cooperated with the commission in attacking this very difficult problem of pollution of boundary waters. I believe it would be correct to say, due to the cooperation which the industries have given this important matter, that industrial pollution is well in sight of being ended.

By Mr. Murphy:

Q. At their own expense?—A. At their own expense. I have not got a table of the amount of expenditures which have been made, but they are very large. It has been done for the benefit of the public and the country generally and we have, in the commission and in our board, most wonderful cooperation. Where our difficulty has been primarily, on both sides of the line, is with the municipalities who claim that there is a lack of funds to carry out these improvements and changes which are required. The United States has moved very drastically in the matter and has taken legislative authority to compel compliance by the municipalities. They are citing municipality after municipality which has lagged in the provision of proper sewage treatments to reduce the objectionable effluents they discharge into the river.

Ontario is now moving, through the Ontario Later Resources Commission under Mr. F. F. Snyder. We have the very closest relations with Mr. Snyder and his colleagues. You cannot expect movements of the size contemplated to be done overnight; but there is activity right along the line in an effort to clean up, and getting ready to clean up, these communities. Some communities have started in this and others are getting out plans; we hear regularly from Mr. Snyder and his colleagues, and some of his technical officers are serving on our boards. There is a very close and useful tie-in between the two organizations. I believe it is only a matter of time and patience before this matter is cleared up. We feel we are on the road to getting these connecting channels put in proper shape.

MR. MURPHY: Mr. Cleveland—I do not know whether or not this is a fair question—was there any request by any representative of the government to alter that old treaty which we have been discussing?

MR. CLEVELAND: The Boundary Waters Treaty?

MR. MURPHY: Yes. To change at least one paragraph which we have been discussing, which would apply to Lake Michigan, inasmuch as it would have the same lake level as Lake Huron.

MR. CLEVELAND: As far as I am aware, there has not been at any time any movement on the part of the Canadian government to seek any change or variation in the Boundary Waters Treaty of 1909.

MR. MURPHY: We came out on the short end in that treaty?

MR. CLEVELAND: That is an opinion which I think—

MR. MURPHY: Is shared by most people.

MR. CLEVELAND: There would have to be an official opinion on that from the government. It is not mine. I would, in all fairness say, if I may make a personal comment on it, that the treaty has, in practical application, revealed that our forebears fifty years ago were very capable draftsman and they foresaw a great many things which, if perhaps we were trying to legislate today for conditions fifty years hence, we might find difficult to foresee.

MR. MURPHY: Do you remember any treaty which we have had with the United States where we got the better of the deal?

MR. CLEVELAND: My colleagues in the state department believe sometimes we do.

The ACTING CHAIRMAN: This has been a very interesting discussion. We have gone into the treaty between the United States and Canada relating to boundary waters and have discussed some of the specific paragraphs. However, the original plan suggested by the chairman was that we would have a progressive discussion. At this point I think we should get on to the St. Lawrence power project.

The WITNESS: Could I answer one point which came up in respect of this diversion and the use of the waters for domestic and sanitary purposes in Ontario. The matter would only come before the international joint commission if there was an affect on the natural level of the boundary water on the other side of the board. As far as I know, these diversions which have been contemplated for sanitary purposes, which have high priority, would not have any effect on the level on the other side, the United States side, of the boundary.

The ACTING CHAIRMAN: If there are no further questions I think we can now go on to air pollution and the report which the general presented earlier. Are there any questions on this?

We will go on further in the report and consider water pollution. Are there any questions on this aspect of the report?

Mr. MURPHY: Mr. Chairman, I asked a few questions on that and as far as I am concerned I think the answers which General McNaughton gave were very satisfactory.

The ACTING CHAIRMAN: Thank you. If there are no further questions we will go on to the Souris river reference.

By Mr. Dinsdale:

Q. Mr. Chairman, General McNaughton indicated in his remarks that a plan which is acceptable to the provinces of Saskatchewan and Manitoba and the state of North Dakota had been drawn up with reference to the problem on the Souris river. Would it be possible for us to have an indication as to what that plan is and whether or not it is about to be implemented, or what is the present situation?—A. The commission, as I reported, under the reference of 1940 was invited to make a permanent allocation of the waters of the Souris river. It has not been possible in all these years, and I can assure you there has not been a meeting of the commission twice yearly at these regular meetings and at a number of other meetings as well at which this problem concerning the Souris has not been discussed. It has been a very active, contentious and a very difficult question, because there simply is not enough water in the Souris to go around in order to meet the needs of the people on both sides of the line. However, our forebears on the commission of 1940 recognized that position and made an interim arrangement. We in this current year have had to do the same thing. We had to admit this time that we could not solve it and we have had to make a suggestion to governments for an interim solution by which it would be more urgent that the requirements for the province of Saskatchewan would be met. They would be empowered to withdraw up to 50 per cent of the flow at the boundary and that would enable them to care for this new thermal plant which is being established—at Estevan. It would also enable the uses which have come into effect along the Souris in the United States—the uses for domestic and sanitary purposes, and services to municipalities and cities and so on, to be discharged. It would guarantee to Manitoba what Manitoba has expressed as its current need from the Souris, namely for flow of twenty cubic feet per second across the boundary—a guaranteed flow of this amount across the boundary during the five summer months, so as to maintain the Souris as a live stream and to give enough water for the uses in Manitoba, which are presently largely for stock watering and domestic purposes for the farmers along the stream. But

it allows the United States to put into their storage reservoirs all the rest of the flows of the stream, as they have in fact been doing, on the wildlife refuges; and the result of it is that these flows at that point are largely used for the benefit of ducks, and not for humanity. By putting up an interim solution in the Canadian section of the commission—we have recognized it is only a question of time until Manitoba will need the waters of the Souris river for irrigation purposes. More particularly is that the case because as of the present time there is an arrangement being developed to supply extensive areas, some 2 million acres of ground in the area immediately south of the boundary, from water from the Missouri basin, to support irrigation or to give possibilities of irrigation in this region, in place of the present type of farming where you have to get it with the natural flows of water. We have no comparable source of supply for Manitoba. When the habit of irrigation spreads—as it undoubtedly will—up the Souris basin in Manitoba, we anticipate in the Canadian section, in following the effects that will result from the Souris waters being taken into use, that there will be an increasing demand on the Souris water. And so in the commission the best we could do was recognize conditions as they presently exist. We agreed that Manitoba would have what Manitoba now wants that is, twenty cubic feet per second as a guaranteed flow, whenever it can possibly be given in the five summer months. When these other demands develop, then we will have an opportunity to reopen the reference and see what can be done about it in the way of an equitable distribution. That has been recommended to governments by the commission. It took from approximately 1942 up to the present time to get that order in an agreed recommendation; it is before the governments now. It will possibly require consideration by various departments of the two governments, and it may be some months before the commission is given an answer. That is about all I can say about the Souris reference at the moment—it is an interim solution, and only that.

By Mr. Dinsdale:

Q. You have given a very comprehensive statement. The point I was trying to discover was whether this interim plan had been accepted officially by the governments concerned, and apparently it has not as yet; it is under consideration.—A. The plan is under consideration by the governments, and I would not say they have had an adequate opportunity yet to arrive at a conclusion.

By Mr. Murphy:

Q. General, could I ask you in submitting this particular type of agreement of the three governments, Saskatchewan, Manitoba and—is it North Dakota?—A. Yes.

Q. Is the acceptance of this agreement inasmuch as this river has its headwaters in the United States— —A. They are in Canada, in Saskatchewan.

Q. All right; the same principle applies. Is it going to affect our position with respect to the doctrine we maintain is legal in that we have control of these waters that flow across into another country when the head waters are in Canada?

By Mr. Jones:

Q. In other words, is it a precedent?

By Mr. Murphy:

Q. Are we prejudicing our interests by this sort of an agreement?—A. The Souris is a river of a very special class, in that it originates in Canada and flows across the boundary from Saskatchewan into North Dakota. It flows

in a great loop of 150 miles or so in North Dakota and recrosses into Manitoba, then on to join the Assinaboine river, thence into Lake Winnipeg and on to the Hudson Bay. So, it is a river in which Saskatchewan is upstream in regard to North Dakota, and North Dakota is upstream in regard to Manitoba; thus it is full of difficulties that are not entirely rationalized by the terms of the treaty of 1909. Our instructions from the government, given in 1940 are to try to find an equitable arrangement to dispose of this complicated situation which, of course, is not fully described by the treaty.

By Mr. McGee:

Q. In regard to the part you are discussing, the needs of Manitoba, I am wondering what is likely to develop or is developing as far as the needs in Saskatchewan are concerned, where there are obvious irrigation problems. Are those irrigation attempts in the headwater; in other words, have there been demands from the area in Saskatchewan for further use or development of that water for irrigation purposes?—A. I am unable to answer it entirely to your satisfaction, but I would like to say that generally peaking when we have had to come to grips with various problems of rivers flowing across a boundary, and more particularly in these rivers which are in regions where the waters are needed for irrigation purposes, the final result has been an attempt to divide the flow equally. Now that is not a rule under the treaty of 1909 in any sense, but it is a practical solution which has been attempted in a great many cases, notably in the Mary and Milk rivers, which flow in and through the province of Alberta, and which was an area the commission had to deal with in its early days. It is a solution which in the presentations made to the commission by the province of Saskatchewan they have expressed every willingness to adopt. As Saskatchewan said, "if we could have an assurance of half the flow at the boundary, it appears to us an equitable solution of this difficulty". The trouble comes not in the case of Saskatchewan, which is prepared to have a fifty-fifty apportionment of the water of that river, but we have to take into account what their neighbours need, and keep enough for their own purposes.

By Mr. Murphy:

Q. That is after it goes into Dakota?—A. Yes—an equal division at the boundary. It is acceptable as a reasonable solution to the government of Saskatchewan. They are looking at this, I think, and have looked at it in a very broadminded way, realizing that it is not only their own people but their neighbours to the south who have to be fairly dealt with on this matter, and that equality requires equity of division.

Q. What about the principle of the water that goes back into Canada?—A. When it comes around through North Dakota, as far as the use, the needs for the use of these waters by the various municipalities along the line they have all been met willingly by the commission from time to time by special orders; and so they should, because human needs under these waters must, of course, take priority over everything else. Our difficulty with North Dakota, of course, is that a federal department has moved in and established immense refuges for wild ducks. The water of the Souris river go into these refuges, and being impounded in that climate the evaporation runs to several feet a year. Therefore, all the water for the benefit of ducks is going up in the form of evaporation.

Now because this federal department concerned in the United States is able to take these waters actually into use, waters they claim as refuges for ducks, they feel that they have established a priority claim, a priority right, to have those waters continued for that purpose. Now it would be one thing to take a definite stand and force an issue on this matter if we could say that in point of actual fact the people downstream in Manitoba were being badly treated by all this shortage of water under other conditions.

By Mr. Murphy:

Q. What position do we take on that?—A. The position that we would allege, if there was a sustainable use for the water, would be since we are willing to divide it equally at one boundary, it ought to be divided equally at the other boundary also. But we cannot force that issue unless and until—and I use that word advisedly—the requirement for irrigation water in Manitoba develops to the point it is necessary to do so.

At the moment Manitoba is satisfied with the allocation of the flow of 20 cubic feet per second in the five summer months of the year. They get a lot more than that but they are quite satisfied with that for the moment.

By Mr. Murphy:

Q. The thing that disturbs me is this: we have three governments—two provinces and one state—that have entered into an agreement. We accept that agreement. Then the federal government comes along and, as you say, establishes these refuges for ducks, overriding that whole agreement. Is that what in effect happens?—A. That is substantially what happens. The federal government came in and established these refuges and cut right across the state authority in the matter, as we are told they have a right to do. These refuges were set up. They are, of course, of some advantage to the people in the vicinity. There is a lot of revenue comes from these refuges to the people.

As long as this water is not needed for some important purpose nobody should complain about it.

The point has been arrived at now where there is the likelihood that the downstream interests in Manitoba will not be properly provided for, with the present allocation of 20 cubic feet per second across the boundary during the five summer months.

If it had been made evident to the Canadian section of the commission that there was an immediate need for Manitoba to have more water, we would not have agreed, naturally, to the interim arrangement which has been recommended. But, in point of fact, the 20 cubic foot per second flow does satisfy the present need of the province of Manitoba. We have the conviction that this will not be so for long because of the changing pattern in the use of the Souris river in that region. We have reserved the right, under this proposal to the government, to reopen the matter and to take Manitoba's then requirement into full account.

By Mr. McGee:

Q. What about the relationship of this particular area to the area of the south Saskatchewan dam, coming back to my original question, if there is a requirement for irrigation purposes in the farming areas of Saskatchewan? The federal government is undertaking a rather substantial investment in providing this. I am trying to locate the geography more than anything else. What are the distances?—A. The distances are too great. This is theoretically possible. I know the country very well. I was born and brought up in that region and have gone in and out of it all my life, so I can speak with some personal knowledge of the Moose Mountain region and the Souris basin. It is theoretically possible to take water from the Saskatchewan river down into the Souris basin but I would not regard that as a practical possibility at all. The two problems are not really inter-related. The Souris is a small river. It is a self-enclosed basin. We have to live with the water we have there.

Q. What are we dealing with in terms of area?—A. This is the water shed line between the rivers that run eventually into the Saskatchewan river. The

nearest point from which water could be brought to this basin would be from the Qu'Appelle, which comes about here.

I think we have to regard this, apart from the importation of waters from the Missouri river, which would flow northeast to the Souris. The United States is now practically proposing the bringing in, from roughly this line and fanning out from there, 2 million acre feet of Missouri water. They are going to be in the lap of luxury as regards waters, whereas, we have to subsist with what we can get by conserving the flows of the Souris river itself.

Saskatchewan is satisfied to follow the same rules that have been adopted in other basins where rivers were needed for irrigation purposes, and so on, which flow across the boundary, namely; an equal division of flows. With those flows they feel that this region can be looked after. There are other such basins further along the Saskatchewan border.

The precedent we think of, of course, is the situation in regard to the Mary and Milk rivers in Alberta. If we can get over some statements in regard to priorities of small amounts, first to one and then to the other, then the flows could be divided fifty-fifty respectively between the two countries.

Saskatchewan has said that it would be happy to agree to the retaining of half of the flow of the Souris river and to allow the other half of the flow to pass into North Dakota. There is a considerable increment of flow into North Dakota.

By the same rule it would be equitable if the flow at this point were equally divided between North Dakota and Manitoba.

Actually at the moment Manitoba is satisfied with a guaranteed flow of 20 cubic feet per second during the five summer months. They have warned us that that condition cannot persist because there will be a developing need as a result of the changing pattern in the farming communities where irrigation waters will be required.

We have represented that as a fair division between the Saskatchewan end and North Dakota here. Namely, a fifty-fifty division of the flow at the boundary.

That is also a fair arrangement to contemplate in the future as a division between North Dakota and Manitoba.

The thing that stands in the road of that business is the fact that the United States Wildlife Service has moved in here and dammed up these streams.

Q. Do those pink areas represent the refuges?—A. These pink areas represent sections reserved for ducks.

The result of that is that most of the flows through here, after satisfying the needs of farmers along here in regard to their ordinary water supplies—the little city of Minot, which draws a lot of water out of the stream, and other areas all along which have comparatively minor uses—is that most of the water that crosses the boundary goes into these areas for the ducks and goes off in the form of evaporation and is not doing anything for humanity.

Q. There are no power developments along there, are there?—A. The only use of water for power is the condensing water for the steam plants. We have a plant here at Estevan. This plant uses Estevan coal and the water down here. This dam is being added to supply water for condensing in the steam plants.

By Mr. Murphy:

Q. How much water flows into the Dakotas from Saskatchewan?—A. It varies from nothing—literally nothing—to perhaps 200,000 acre feet per year.

Q. How many cubic feet per second on the average does it amount to?—A. I cannot give you that figure in terms of cubic feet per second from memory. This is a very intermittent stream. I could tell you that what we have provided

here for summer flow is a minimum of 20 cubic feet per second which must be released. That is just about enough to supply the domestic requirements along that river in this section of Manitoba. That provides for stock watering and for watering of gardens, and so on.

By Mr. Dinsdale:

Q. On that point, General, you emphasized the need from the Manitoba side in terms of irrigation and domestic use. Is the recreation function taken into consideration in those negotiations with the States?—A. Yes, the recreation function has been taken into consideration. This has not been a particularly live issue because, with the number of dams—there are half a dozen dams along the Souris river built by the Prairie Farm Rehabilitation administration of Manitoba—this is all live flow in the summertime, and it seems to satisfy everybody.

Q. This has been an issue in the past few years especially around the town of Souris, for example.—A. This has not been represented as a serious issue to the commission.

Q. Oh, it has not.

Are all the duck refuges on the American side sponsored by the Wildlife service and not by Ducks Unlimited?—A. No, no. Ducks Unlimited is a private organization. The Wildlife Service is a United States Department of Interior Service.

These areas were originally marsh land, I suppose, and now the evaporation is several feet. I cannot recall the exact figure in the course of the average summer but most of the water goes up in the form of vapour.

The United States has maintained, of course, that having put their wildlife service into operation first, they have the right to maintain it. First in time, first in use is the doctrine that the United States adopts. We say that it has no application.

By Mr. McGee:

Q. How recent was this action of theirs?—A. Of the Wildlife Service, you are speaking?

Q. Yes.—A. It has been going on for the last 30 years. I am speaking of the building up of these refuges down there and the drawing of ducks into them—as if there were not enough sloughs up here to look after the ducks, and so on. They have them anyway and they maintain they have a priority of right.

Q. That is not recognized?—A. We do not believe it is in accordance with the treaty as the treaty has been written. However, the more you have to deal with these international problems—I think one ought to say—the more we find we must look for interim solutions which will give practical satisfaction to peoples of the communities that have to be served. It is not useful to press a theoretical right beyond certain practical limits. If this is needed, then we do press for it.

We have reserved our rights and the commission has reserved its jurisdiction by confining the recommendation, which is presently before the governments, to interim temporary solutions. The moment that these foreseeable irrigation uses in Manitoba develop—they have not developed yet—beyond the limits of what they are now, the governments will have the opportunity to say that it is not a final solution and that they want the commission to go ahead with negotiations.

By Mr. Murphy:

Q. If you want a review later, does one government have to give one year's notice, or two years' notice to the other government?—A. No. This is an

interim order and the procedure to re-open these recommendations, providing the governments approve what we put before them, involves notice from either government at any time.

By Mr. Dinsdale:

Q. Manitoba has apparently approved of this?—A. The original commission's order provided only 10 cubic feet per second as flow during the five summer months. When the matter was critical and that was found to be insufficient Manitoba made representations to the commission, and the flow was raised to 20 cubic feet per second during the summer months. That is continuing. I think there is a change in the pattern of agriculture in the Souris basin of Manitoba.

Manitoba is entirely satisfied, but has reserved its rights. It has not given away any rights, and that is why we call it an interim border.

By Mr. Murphy:

Q. Your commission does not have the power to enforce regulations, does it? The international Joint Commission does not have the power to enforce regulations. Is that done through the governments?—A. That is right, sir. We have no jurisdiction. We may issue an order, and then it is up to the governments. We have jurisdiction—it is a conflicting term; it is hard to explain sometimes.

In this particular case it is not a matter ordinarily under the jurisdiction of the commission. In a case where we have been asked to give what is an equivalent to an advisory opinion, then having given that opinion, the governments adopt it, and it is up to the governments to give effect to it.

Q. The same principle applies to sewage disposal and to the law forcing municipalities to put in proper sewage?—A. It is a matter for the governments to deal with, not for us.

Q. But you would recommend it in the first place?—A. Under the treaty of 1909 the governments entering into the treaty gave jurisdiction to the commission only on certain aspects of boundary waters and so on, and they set the commission up as an authority to do things.

Those conclusions when arrived at by the commission are enforceable, but not in this case, when these are advisory opinions which are given.

I think in all these matters—and these are very very difficult matters concerning the diversion of waters in a region which has not got too much water, the test of what you do is: does what you propose provide a practical solution to the situation at the moment, or is there another situation which you can see developing where something additional has got to be done.

If so, if you feel you have the thing settled, you can give a firm conclusion as to what the governments ought to do. But if you feel a situation is developing in such a way that it will require a change, then you say to the governments: do this for the moment, and when the situation becomes acute, we shall take it up again and clear it up, and reopen it. We would suggest to the governments that they make only an interim solution.

In making recommendations we have had full agreement with the province of Saskatchewan and the government of Manitoba. With the United States commissioners, we have agreed that it is the reasonable thing to propose, and we are waiting to hear whether North Dakota and the United States government will give effect to it. But that is not for us to say: it is for the governments.

The CHAIRMAN: Shall we now pass on to the Columbia river conference?

By Mr. Jones:

Q. In connection with the Columbia river, I think that General McNaughton indicated there was, in the course of preparation, a report which would be presented later this year. Is that right? An engineering study of the Columbia will be presented later this year?—A. I made reference to the studies which have been carried on for the commission by our international Columbia river engineering board which, in accordance with the agreement reached at the meeting in New York in January of this year, will be focused on what we call the three sequences.

The word sequence is merely a name for a particular study of storage and power sites in the basin.

These studies, which are all related to the use of the waters within Canada, are proceeding.

The engineering board, we expect, will report on those studies sometime in November or thereabouts; and we have those reports before us, then the commission will come to grips with what can be done.

Q. It is not possible to come to grips with them until you do get those reports?—A. That is right. These three sequences are as follows: one positions the water very much as the United States would like to see it positioned. That is known as sequence seven.

Sequence nine is a positioning of the waters as we in Canada would like to position them, and to build up storage.

It puts the water high up in the basin, and it will possibly combine a diversion of these waters through the Monashee mountains through a tunnel which runs from Revelstoke, for instance, down to the Eagle river and so into the Columbia, for use through heads of whatever the diversion is agreed upon.

This involves the amount of water which would be used in the Fraser basin, which is a very large block of power to Canada. That study has gone on.

Now the problem with which the commission will have to come to grips is really this: Canada believes it has the right to make this diversion. They have every reason to think that that is what the treaty means.

The right to divert has been asserted and used by the United States; and what is possible for one in equity may be possible, fair and right for the other.

By Mr. Murphy:

Q. Would you elaborate on that? I am confused about waters being used. Do we have the responsibility to supply all the water for the United States that we do now, that they are now using?—A. I am not quite sure just what you mean, Mr. Murphy.

Q. Suppose we divert the whole stream and the United States would not get any. Is there not a principle in effect that the water they have been using—a certain amount of water—that we must furnish them with that amount of water from those rivers which have their head waters in Canada?—A. The situation in the Columbia is this: that this whole matter of the use of waters was referred to the commission in 1944 for an advisory opinion, and only an advisory opinion has been tendered. No one has any right to assume that they can take the waters out.

By Mr. Jones:

Q. Perhaps in view of what the chairman says we might await further consideration on this until we have the reports at the next session. I presume they will be available at that time?—A. I think that is right. On this matter there is very little elucidation I can give in detail until the reports of the

board are available to the commission except to say, as I have said, that these reports will cover, as has been arranged, the possible uses to the best advantage of the United States, and the possible uses to the best advantage of Canada as we see it under the treaty, and the possibilities of diversion, in degree, if that should possibly be done.

When these reports are made available, the board will give consideration to them under the duty and obligation of getting the governments to come up with some positive recommendation if we can as to what should be done about it.

By Mr. Murphy:

Q. I had the impression that the two federal governments were dealing with this matter at government level—am I wrong in that? Or is the Columbia still completely within the jurisdiction of the International Joint Commission?—A. The matter has been referred to the International Joint Commission under the reference of 1944, and the commission is proceeding at this time under that reference.

Q. The reason I make that statement is that I was under the impression that a few months ago a discussion took place between the Prime Minister of Canada and the President of the United States on this problem.—A. In answer, I would say unquestionably that there have been discussions at a diplomatic level taking place, but there has been no alteration in the terms of reference and the instructions given to the International Joint Commission. As a consequence, the International Joint Commission is proceeding with the task which has been given to it, and will endeavour in due course to put an appropriate report before the governments.

This is a matter which we have before the International Joint Commission under the provisions of article nine, and it is to make an inquiry into the situation and to make proposals for a solution to whatever the difficulties are. It is not one in which the commission exercises jurisdiction. It can only report, and then it would be for the governments to decide what to do about it.

Q. As I see that report—maybe I am wrong—you will be representing the interests of Canada, that is, the Canadian members of the Commission, and the American members of the commission will be representing the interests of the United States.—A. It may well work out that way, I would say; and again, as a commission, there is a certain collective responsibility to arrive at a reasonable solution.

I do not think that the problem that we have in the Columbia is more difficult than a lot of others. I think we will manage to find a solution, not to everybody's liking, but one which is essential to the best interests of both countries.

Q. The United States authorities do agree to our rights to these rivers, where the head waters are in our country, on the same basis that they have exercised those rights affecting Canada and Mexico. Do they recognize in law that we are legally justified in that assumption?—A. I would hesitate to go as far as to say that I could answer you affirmatively. I do not believe I can.

The interpretation of these matters is somewhat different. It depends from which direction they are being looked at.

By Mr. Herridge:

Q. I must apologize for being absent from the committee for half an hour, as I promised to be in the house. But I would like to ask General McNaughton one or two questions.

You have just concluded a survey in respect to the Columbia river basin with the commission.—A. Yes sir. The commission, with representative members of the engineering board and a number of other advisers made a complete

traverse of the Columbia basin starting in the United States and going along the Kootenay river and crossing the divide from the Kootenay to the Columbia and along lake Windermere and following around Big Bend and back down to Revelstoke, then on down through the Okanagan, picking up the Columbia again and following the Columbia right down almost to the sea, visiting such plants as the Bonneville plant, and then going on to Portland which is the headquarters of the Bonneville power administration where we had talks with the administration.

We covered by bus something over 2,000 miles in about twelve days. This enabled not only the members of the commission to see to a degree the bigness of the whole problem facing us under the Columbia river reference, but it also enabled the commission and its advisory personnel to see, at first hand, the stages of these developments which will be under very active discussion starting in the fall as we get these reports from the boards.

Q. You would meet quite a number of the local people in travelling through there. Did you not find a tremendous interest in the development of the basin, and an increasing understanding on the part of the local people of what is being done to protect Canadian interests, and how fortunate it is that these things have been done?—A. In answer to that, Mr. Herridge, travelling at that rate—we started early in the morning, and spent most of our days on the bus, and getting in fairly late—nevertheless we did have some opportunity to talk to the people in the various localities.

But where we spent the nights, I can assure you that there is a growing awareness of the very acute problems which have been presented in this reference to the commission.

We started off some years ago with almost a complete lack of appreciation of this immense heritage which we have in the Columbia river. But today most people know that in the Columbia basin in Canada the potentialities for hydro-electric development within that basin alone, run to something over 4 million kilowatts of installed capacity. The possibilities of it and the importance of it to Canada are seemingly pretty well understood throughout the region, on the part of the people we talked with.

Q. I too found that to be the case in travelling around.

Mr. JONES: I am sure the committee would like to express its appreciation for the clarity of the evidence of the two witnesses who have testified today.

By Mr. Herridge:

Q. I have one more question. I do not know when the committee will adjourn and I do not want to delay it; but I was going to ask this: what physical surveys are still unfinished in this connection in Canada?—A. In the Columbia basin, the basin has now been very thoroughly—I think I can use this term without exaggeration—very thoroughly canvassed and surveyed.

In due course we shall have not only the reports and comprehensive studies which have been made under the auspices of our own committee, but in addition there have been other surveys made and carried out for the government of Canada by the British Columbia engineering group, and still others by the Montreal engineering people, and these reports in due course will be made available to us.

British Columbia has had a separate investigation carried out by the firm of "Crippen Wright"; their report is due shortly. No doubt we shall receive a copy of it in due course.

In addition a number of other special studies have been carried out from time to time.

A good many proposals which differ somewhat from one another depending on the evidence that is presented, will, in due course, become matters of public knowledge. The commission will have them before it when they try to find the best way through these difficulties.

Q. There are no field parties out now. The field parties have finished their work?—A. I would not say that. There is mention in some of the reports of what is being done from time to time by parties which are still in the field. But substantially, the phase of investigation in the field is over, and the engineering boards are now busy analyzing the results and coming up with the answers.

By Mr. MacFarlane:

Q. I would like to ask about the International Joint Commission report published in 1950. I have read it with a great deal of interest. I would like to ask General McNaughton how close we are to reaching an agreement with the United States on the construction of the Libby dam—or are we close to an agreement even yet?—A. If you want a straight answer from the shoulder, I can say that we are not in agreement.

Q. There is a great number of residents in what we call the south country who will be flooded out by the high water of the Libby dam if it is ever built.

At the present time they are just sitting there. They do not want to build, repair, or do anything because they are afraid that as soon as they do, they may be flooded out. What we would like to find out is: what progress is being made for the proposed construction or completion of this project?—A. The matter, of course, is not for final determination by the commission. The report which we will make will be advisory to the two governments. Our hope is that when we get these reports of which I have spoken in November or in December we will be able to get to the next stage in the consideration of these important matters.

The United States, as you know, made an application to build a dam at Libby, Montana, or rather ten miles above Libby where the dam would be finally located. The effect of that dam would be to raise the water level at the boundary by 150 feet of head and to deny to Canada the opportunity of using that head to the advantage of Canada. But Canada, and in this case I mean the province of British Columbia, carries the rights to power within its borders.

The alternative which has been under discussion is to take a portion of the water of the Kootenay river across the low divide into the Columbia lake, the source of the Columbia river, down that river and joining up again when the Columbia and Kootenay rivers come together in the vicinity of Castlegar. Now, through that route the effective head which can be developed along that route is increased for Canada to something over 1,000 feet of which nearly 600 feet is in the West Kootenay. That represents an addition of something more than half a million kilowatts of installed capacity in Canada which it appears Canada, or British Columbia, has the right to do if the governments decide that should be the case.

The United States have an alternative, if Canada should permit the flow to go down to Libby, which would give 150 feet of the Canadian head to the United States and then there would have to be some recompense in all justice to Canada. If the United States is prepared to make an equitable proposal along those lines, that, in due course, will be considered. Consideration of these matters is pending the studies which are now approaching completion under the auspices of the International Columbia River Engineering Board.

Sequence 7 disposes of the waters in accordance with the suggestions made by the United States, namely, which provide that the flows continue down the Kootenay river and that the Libby dam would be developed and if

other dams along the river should be developed in the United States these flows would continue down to the Kootenay loop in the United States and back into the Columbia as the river runs at the present moment.

Sequence 9, which has been proposed by Canada—and by Canada I mean the Canadian section of the International Joint Commission—is a proposal which would use the water to the best advantage of Canada. It provides that this immense advantage of the use of the Kootenay flow through the Columbia lake down through Windemere and down around the Big Bend would actually add about 700,000 kilowatts of installed capacity in Canada which would not otherwise be available. That is a lot of power. That is included in the sequence 9 studies which are up for comparison.

Then there is this sequence 8 to which I referred which is a sort of compromise between the two proposals.

These are the matters on which the International Columbia Engineering Board will report to the commission, as I have mentioned, in November or in early December of this year.

The matter which the commission must make up its mind on is how it is going to report to Canada.

Q. I do not know whether or not this is a fair question to ask. Do you think that the construction of the Libby dam will be in the foreseeable future?—A. I would like to say this about the general power situation there which dominates the issue: the question of power development and of making some sites available for power in British Columbia has now become very acute. It has become equally acute for the United States. There is a most urgent need to rationalize this whole problem in the Columbia, Kootenay and Fraser basins in order that the power which is possible could be developed. The reason why the commission has not been able to come to grips with this problem at an earlier time is because of the physical difficulty of collecting, assimilating, and studying, the engineering facts of the situation.

As I say, the Canadian government has spent about \$4½ million on these studies and the British Columbia government has provided a large amount of assistance; members of their staff are on the various committees under the Columbia River Engineering Board. For the first time we are going to deal with comprehensive proposals based on factual information.

Now, in respect of Libby, the whole history of it was explained at the last committee. Mr. Chairman, I could go over it again, but it is all on the record of this committee. I have nothing new to add in respect of Libby except to say that it is an expensive project as I pointed out last year. The cost per acre foot measured on a basis of storage is considerably higher than the cost of the storages which are available elsewhere in Canada. It gives up a tremendous advantage to Canada. I am not saying that Canada cannot be compensated for it—by Canada, I mean, of course, always British Columbia. As I just mentioned a minute ago, the difference in installed capacity using the water to the north rather than to the south is in the order of an installed capacity of 700,000 kilowatts, which is a lot of power.

With the full engineering reports, these things will be before the commission itself to reconcile and endeavour to find out what is best to recommend to the two governments. We hope they will be able to agree on it, but we do not know yet.

Q. In the event that the Columbia river is diverted into the Fraser river, would that have any effect on the proposed construction of the Mica dam?—A. The Mica dam is a project which appears in all three sequences.

Q. I know.—A. When I say that I am not saying that that is a final project, because there are a number of other alternatives which are under study demanding use of the head. The Mica dam was proposed at an early stage in our engineering studies and it certainly at that time, and on the basis of informa-

tion, stood out as a project which would serve the needs of power development and so on. The dam is capable of storing 11.7 million acre feet in the worst year on record of water, and that is a very large amount of water upstream; it represents a tremendous advantage. However, as time has progressed a number of other ways in which the head might be used have been studied and there are alternatives to Mica which, at this stage, I would not attempt to assess the advantages of one way or another. For the purpose of our forthcoming studies we have agreed upon certain heads for certain developments in sequence. There will be some modification. It would be strange if there were none, because a lot of effort has since been spent on this. Those will only represent what might be termed secondary adjustments in the positioning of the waters and so on. It will not effect the amounts appreciably of the overall contribution of the basin, but there will be some adjustments as we go along, and Mica might very well be one; but I will not say so at this stage. As I say, these studies are going on.

From the reports of the Columbia River Engineering Board we will have an opportunity to see exactly and precisely what these particular arrangements represented in each sequence will give. I make it as a forecast that before development takes place on these studies they will be modified somewhat by the more recent foundation information. The critical thing in this river is the difficulty of finding foundations. If you find another site which is cheaper and better from the foundation point of view the countries will take advantage of it.

The CHAIRMAN: Are there any other questions on this matter?

By Mr. Cardin:

Q. Mr. Chairman, the subject of my question is not covered by the topics which the General discussed this afternoon. I think, General McNaughton, you are aware that there has been a considerable amount of discussion on the possibility of going on with the Richelieu waterway. I am wondering whether or not the International Joint Commission has been asked by the government to open up the study on the Richelieu waterway. I believe it was started in 1937 or 1938?—A. The date of the commission's report on the possibilities of the Richelieu was in 1937 or 1938. At the time that report was made the commission reported to the government that until the St. Lawrence project itself had been constructed and some experience had been gained in respect of its effect on the transportation economics of the country that we should mark time on the studies of the Richelieu waterway. That is the way the matter stands at the moment.

The commission could hardly take up the matter again without a re-direction from the government. We have no direction of that sort as yet. It is a question for decision by competent authority as to whether this is the appropriate time or whether we should gain some experience with the operation of the St. Lawrence project so that we would be able better to see what the effect of the St. Lawrence project on the general economics of the river is likely to be. That is a matter for determination and the commission will operate under instructions from the governments in due course.

Q. Apparently the state of New York recently had a considerable interest in the development of this waterway. I am wondering whether or not either the government of the United States or the government of the state of New York made any representations to the International Joint Commission?—A. I can only answer that by saying the commission—both my American colleagues and ourselves—is constantly in receipt of letters from many interests in both countries advocating the reopening of the hearings and so on. The

determination of whether or not that should be done is a matter for the government and a matter on which the commission in due course will no doubt be instructed.

Q. No representations have been made either by the government of Canada or the government of the United States?—A. We have instructions from the governments as of today to proceed in this matter. It is for determination by the government as to whether or not this is the opportune time to undertake that or whether or not it might be better to have some experience with the St. Lawrence project before this great undertaking is reopened again.

Q. Thank you.—A. That is the way it was left and still remains as far as the commission is concerned. I think Mr. Cleveland will agree.

Mr. CLEVELAND: That is correct.

The CHAIRMAN: Gentlemen, we have been dealing with items 102, 103 and 544. Shall these items carry?

Agreed to.

The CHAIRMAN: Before we adjourn, there are one or two other things with which I want to deal. First of all we should extend a very hearty vote of thanks to General McNaughton. I feel that he has given us a very complete explanation. With hardly any reference to notes he can answer practically all the questions which the committee fire at him. I think we ought to extend our appreciation to him.

The WITNESS: Thank you very much. It is always a pleasure to appear before you.

The CHAIRMAN: In respect of number 3 of the minutes of proceedings and evidence of this committee, an error occurred in the first printing which unfortunately dealt with some international affairs and I felt it wise to have a reprint ordered because not only today but also perhaps in the years from now somebody might make reference to it. And so there will be a little delay in receiving that report.

Are there any other matters that you wish to bring before the committee before we adjourn? Oh yes, I have one myself. Earlier I suggested that members of the committee write me a letter or note with suggestions as to what should or might be incorporated in the report, and in the preparation of the report I will bring these letters to the attention of my steering committee. Are there any other questions that you wish to bring up?

Mr. LENNARD: There is a matter, Mr. Chairman, in regard to the pictures and selected paintings that were to be selected and forwarded to embassies abroad. I have a question on the order paper to which I have not received an answer. I am a little concerned about the selection of these paintings—as to what nature they will follow. I myself feel they should be more or less landscapes depicting Canada at its best, and not these futuristic things we have to put up with these days. I am absolutely opposed to a lot of pictures where you do not know whether or not they are being hung upside down. I am very concerned as to the ultimate selection of these 150—or whatever the number is—which are to be selected, and I want to know—

The CHAIRMAN: Shall I call Mr. Matthews in regard to this matter? I believe he is acquainted with some of the aspects of this question.

Mr. LENNARD: I might say in passing—I do not want to delay the committee—but several years ago I attended a public exhibition of paintings and the person in charge met me. I met him, but I had just about completed my inspection of this exhibition and he asked me what I thought of them. I said there were several landscapes I did appreciate and one or two portraits I thought were fine, but some of these modern dabs he had in the exhibition, I did not know whether they were hung upside down or not. He assured me that was

not the case; but he was otherwise informed and six months later when I met him he said that three of them were. He said his attention had been drawn to it, and he was put out because these modernistic dabs were hung upside down. I do not want anything like that to go abroad from Canada.

The CHAIRMAN: We would be glad to hear from Mr. Matthews at this point.

Mr. MATTHEWS: We can assure you the ideas of the department as to what are suitable are ones we think will appeal to you. As was mentioned in the under-secretary's statement, we are having an exhibition from which we hope to be able to choose a good many pictures this year. When the under-secretary wrote to the director of the gallery suggesting the type of painting he wanted, these are the words he used:

What we require are oil paintings which would not only illustrate the best work of contemporary Canadian painters, but also serve to interpret Canada for persons visiting our embassies and chanceries abroad. I have in mind Canadian landscapes and townscapes, genre paintings of all kinds, figure paintings and still lifes. As controversy would be out of place in this connection, I consider that non-representational paintings, and paintings of the nude, unless of exceptionally high quality and by internationally recognized Canadian artists, should not be accepted.

That is a description of the type of painting that we suggest.

Mr. LENNARD: That sounds fairly good.

The CHAIRMAN: I think that explanation would meet the wishes of the committee. Are there any further questions on this matter?

Mr. KUCHEREPA: It sounds good on the surface, and I agree with the general content of the statement made by Mr. Matthews. However, it might be a good idea that a subcommittee of this committee, possibly chaired by the chairman, check on the selections before final approval is given, so that there will be no question in the future that we had purchased paintings which were not agreeable to the members of the committee.

Mr. JONES: Include me out.

The CHAIRMAN: Would anyone else like to express his opinion on this?

Mr. HERRIDGE: I think, Mr. Chairman, the statement is pretty clear and definite. I think it gives effect to what Mr. Lennard was expressing, to a great extent. The only question I would like to ask is: what is the objection to nudes? Are Canadian nudes not considered proper pictures?

Mr. MATTHEWS: It might follow that some people might object, if these were hung in Canadian embassies. We prefer not to have anything that might give rise to controversy.

The CHAIRMAN: I think Dr. Kucherepa's suggestion is very good.

Mr. JONES: Perhaps, Mr. Chairman, that is an item that might be dealt with at another time. I understand we will probably have to meet again to deal with the report.

The CHAIRMAN: Yes.

Mr. JONES: And if this matter is to be proceeded with perhaps it could be dealt with at that time, as we finish our reference. -

The CHAIRMAN: It is your idea that some reference could be made in the report?

Mr. JONES: I would say that we could consider whether it is necessary to include that in the report, when we meet to consider the report.

Mr. HERRIDGE: I think that is a good suggestion. A discussion could be carried on when the report is being considered in camera.

Mr. KUCHEREPA: I should point out the original selection will be made by experts, but just as a final approval the subcommittee might have a look at what is being purchased and express their views as members of the committee. They seem concerned that we obtain a type of painting which would be descriptive of Canada.

The CHAIRMAN: Might I ask when will this exhibition and selection take place?

Mr. MATTHEWS: It will probably be some time in October.

The CHAIRMAN: If it was while we were in session it would be probably easy for the whole committee to view it, but if we are not in session it might make it rather difficult. I might ask another question; will there be any supervision exercised by the Department of External Affairs?

Mr. MATTHEWS: Oh yes, very definitely.

The CHAIRMAN: In the choice of these.

Mr. MATTHEWS: Yes. Representatives of the department, together with the officials of the National Gallery, will decide. They recommend to us; but the final decision must be a departmental decision for which the minister is responsible.

Mr. HERRIDGE: I think we should leave it to the persons choosing the pictures originally. We will leave it to those who are more suited to make a choice.

Mr. FAIRFIELD: I am afraid you would never satisfy the members of the committee in total. It would probably take 150 years to select 150 pictures.

The CHAIRMAN: I think it is generally agreed then in the committee that the Department of External Affairs and through them the gallery will understand the expressed wishes of this committee, and we can leave it in the hands of the Department of External Affairs. We will consider a reference to it in the report.

Mr. LENNARD: My only concern is, if there is a rabbit in the painting we want to be able to distinguish it as such.

The CHAIRMAN: I think we have covered the subject pretty well.

Now, there is one other matter. It is hoped that we will have the report in shape to present by next week, and until that time this meeting stands adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

THURSDAY, FEBRUARY 12, 1959

THURSDAY, MARCH 5, 1959

ESTIMATES OF THE DEPARTMENT OF EXTERNAL
AFFAIRS—1959-60

Statement by The Honourable Sidney E. Smith, Secretary of State for
External Affairs.

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
and Messrs.

Aitken (Miss),
Allard,
Argue,
Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,

Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,

McGee,
Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian,

J. E. O'Connor,
Clerk of the Committee.

ORDERS OF REFERENCE

Resolved,—That the following Members do compose the Standing Committee on External Affairs:

Messrs.

Aitken (Miss)	Jones,	Montgomery,
Allard,	Jung,	Nesbitt,
Argue,	Kucherepa,	Nugent,
Cardin,	Lafrenière,	Pearson,
Crestohl,	Lennard,	Pratt,
Dinsdale,	MacLellan,	Richard (Ottawa East),
Dorion,	Macnaughton,	Smith (Calgary South),
Eudes,	Macquarrie,	Stinson,
Fairfield,	Mandziuk,	Valade,
Garland,	Martin (Essex East),	Vivian,
Hellyer,	McCleave,	White
Herridge,	McGee,	

Monday, February 9, 1959

Ordered,—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

Friday, February 13, 1959

Ordered,—That the Standing Committee on External Affairs be authorized to sit while the House is sitting; and that the said Committee be empowered to print such papers and evidence as may be ordered by it, and that Standing Order 66 be suspended in relation thereto.

Thursday, February 26, 1959

Ordered,—That Items numbered 76 to 105 inclusive, as listed in the Main Estimates 1959-1960, relating to the Department of External Affairs, be withdrawn from the Committee of Supply and referred to the Standing Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

Thursday, February 12, 1959

The Standing Committee on External Affairs has the honour to present the following as its

FIRST REPORT

Your Committee recommends:

1. That it be authorized to sit while the House is sitting.
2. That the Committee be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

Respectfully submitted,

H. O. WHITE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, February 12, 1959.

The Standing Committee on External Affairs met at 9.30 a.m. this day for organization purposes.

Members Present: Miss Aitken, Messrs. Allard, Dinsdale, Fairfield, Garland, Herridge, Jones, Kucherepa, Lafreniere, Lennard, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McGee, Montgomery, Nugent, Smith (*Calgary South*), Stinson and White.—20

On motion of Mr. Lennard, seconded by Mr. Lafreniere, Mr. White was elected Chairman.

Mr. White took the Chair and thanked members of the Committee for honour extended to him. He then made a short statement concerning the future activities of the Committee.

On the motion of Mr. McCleave, seconded by Mr. McGee,

Resolved,—That the Committee be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

On the motion of Mr. Montgomery, seconded by Mr. McGee,

Resolved,—That a recommendation be made to the House to empower the Committee to sit while the House is sitting.

On motion of Mr. Kucherepa, seconded by Mr. Macquarrie,

Resolved,—That a sub-committee on Agenda and Procedure be appointed comprising the Chairman and 6 members to be designated by him.

The Chairman outlined, in a general way, his views concerning the work the Committee will undertake this year and invited suggestions from members of the Committee.

At 9.45 a.m. the Committee adjourned to the call of the Chair.

THURSDAY, March 5, 1959.

The Standing Committee on External Affairs met at 9:10 a.m. this day.

The Chairman, Mr. H. O. White, presided.

Members Present: Miss Aitken, Messrs. Crestohl, Dinsdale, Fairfield, Garland, Hellyer, Herridge, Jones, Kucherepa, Lennard, MacLellan, Macquarrie, Mandziuk, McCleave, McGee, Montgomery, Nesbitt, Pearson, Pratt, Smith (*Calgary South*), and White.—21

In attendance: The Honourable Sidney E. Smith, Secretary of State for External Affairs, Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; M. Cadieux, Assistant Under-Secretary of State for External Affairs; W. D. Matthews, Assistant Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; W. T. Delworth, Executive Assistant to the Minister; Henry Best, Executive Assistant to the Minister;

C. Hardy, Latin American Section, American Division; J. H. Taylor, Executive Assistant to the Under-Secretary of State for External Affairs.

The Chairman observed the presence of quorum and suggested that the Committee first deal with two items of routine business.

On the motion of Mr. McCleave, seconded by Mr. McGee,

Resolved,—That pursuant to its Order of Reference of February 13, 1959, this Committee print 750 copies of its Minutes of Proceedings and Evidence in English and 250 copies in French.

Agreed: That the Chairman be authorized to appoint 7 members to the Committee's Sub-committee on Agenda and Procedure.

The Chairman called Item 76—Departmental Administration—and introduced the Secretary of State for External Affairs.

Mr. Smith addressed the Committee relating his remarks principally to his recent tour of Latin America, the Organization of American States, its economic and political aspects and its relations with Canada.

Following questioning, Mr. Smith spoke briefly on the North Atlantic Treaty Organization.

At 10:30 a.m. the Committee adjourned to meet again at 10:00 a.m. Monday, March 9, 1959.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

THURSDAY, March 5, 1959.
9.00 a.m.

The CHAIRMAN: Gentlemen, would you please come to order; we have a quorum.

I must take this opportunity of welcoming you again to the External Affairs Committee meetings.

I think at the first meeting I outlined fairly well some of the plans for the succeeding meetings. Before I call the first item of the estimates and introduce the minister, there are two matters I wish to bring to your attention. The first is the establishment of the quantity of copies of the minutes of proceedings and evidence which are to be printed. I have prepared the following motion: That pursuant to our reference of February 13, 1959, this committee print 750 copies in English and 250 copies in French of its Minutes of Proceedings and evidence. Have I a mover and seconder for the motion?

Moved by Mr. McCleave and seconded by Mr. McGee.

Mr. CRESTOHL: Are these numbers of copies similar to those in the past?

The CHAIRMAN: Yes. Mr. O'Connor informs me that last year instead of 250 copies in French we had printed 350 copies, but there was quite a large number left over.

Motion agreed to.

The CHAIRMAN: The second matter I wish to bring to your attention has to do with the Subcommittee on Agenda and Procedure. I have discussed this with several members of the committee, and with the permission of the committee I would like to increase the membership of the Subcommittee on Agenda from six to seven not including myself. Have I your permission to do that?

Agreed.

The CHAIRMAN: That takes care of the two matters which I wished to deal with.

Mr. CRESTOHL: Mr. Chairman, would you tell us who are the members now of the Subcommittee on Agenda?

The CHAIRMAN: I have asked the Whips of each party to submit names, but it is not complete yet. Consequently I would hesitate to do so at this time.

Without any further delay I will introduce the minister and ask him to proceed with his statement.

I will call the administration item, Item 76.

Item 76. Departmental administration \$6,319,803

Hon. SIDNEY EARLE SMITH (*Minister, External Affairs Department*): Mr. Chairman and members of the committee, I must accept in large measure the responsibility for calling this meeting at 9.00 o'clock. I do not like it any more than you do. I have discussed this with the chairman of the committee, Mr. White. Monday is out and Friday is out. There is no desire to hold meetings of this committee—and I know I can speak for the chairman in this respect—while the house is sitting. On Tuesdays and Thursdays we have cabinet meetings. On Wednesdays we have meetings of the various caucuses. That is the problem we are up against.

With your permission, I would like to withdraw some time just before 11.00 o'clock. The cabinet begins its meeting this morning at 10.30 and I should be there at 11.00 for certain items. (Now I am told we have to be out of here by 10.30 for another meeting.)

During my speech in the house last Thursday the leader of the opposition said that even in half an hour I could not cover the whole globe. I did, however, at the beginning of my remarks mention my trip to Latin America. With your permission I would like to make a statement in that regard this morning.

May I just say—and I say this in a most helpful mood—that we have here officials of the department who will be anxious at all times to give you information. They would not accept the responsibility to announce matters of policy. If I am not here when they are giving testimony, may I suggest that when matters of policy arise I will return to the committee to answer questions in that regard. Also I wonder—and I ask this in a helpful mood—if we might have from time to time an indication of anticipated questions to the end that we could be thoroughly briefed to discuss those topics.

In 1889 there was established a rather loose organization known as the Pan-American Union. Then in 1948 that union changed its name to the Organization of American States, the O.A.S. About that time there was a change made in the constitution of the body. The phrase which was changed was something of this nature; that any country which is an American republic is entitled to join the association.

There are those who suggest this was not the sole motive, but in 1948 I think the change in the name was made by reason of the desire of Latin-American member countries of O.A.S. to have Canada as a member. It was changed to read "American states", so the question of the monarchical principle would not arise.

As I informed the house, I went to Latin America in November. I stayed two weeks in Brazil and part of two days in Lima, in Peru. Then I spent five days in Mexico for the installation of the new president at Mexico City.

To start with Brazil, from the president, Mr. Kubitschek, down, the question was raised: will Canada join the O.A.S.? The Brazilians are not alone in asking this question. Even at Lima the foreign minister of Peru raised with me very directly the question as to whether Canada would join. At the United Nations last year official approaches were made by one of the representatives of the U.N. delegation from Ecuador as to whether we would join. This topic took up well over half the time of a meeting I held at Rio with the heads of the Canadian missions in Latin America. Since I have returned the ambassadors from the Latin American countries have approached me here in Ottawa as to what we may do in that regard.

There is a formal meeting to be held in Ecuador in 1960 and these Latin-American countries hope that there would be an acceptance of the invitation to Canada to take its seat. I have never been able to verify this, but sometimes one hears there is actually a chair, a physical piece of furniture, vacant there for Canada, and Canada has never taken its seat there. There is no doubt, and this was confirmed in my mind during my visit to the Latin-American countries, that those countries have had a dynamic growth, and that they are becoming indeed more important. In 1941, just at the outbreak of the war as far as the United States is concerned, we were very close. I gather, to joining the O.A.S. I am given to understand there was some anxiety, however, lest the Commonwealth, through Canada, would interfere with the business of O.A.S., if Canada became a member.

Having regard to the growth of the Latin-American countries, I think a strong case could be made for Canadian participation in O.A.S. I learned, not only some geography but also some psychology during my trip to Latin America. It just seems to be inherent that they do not think of the American hemisphere

as being divided into two continents. They start with the concept that it is a continental whole including South America and North America.

There were two factors which were raised; one was economic. They would like to get help from us in their difficulties. The other field is political. They feel if Canada would join the Americas it would present an unbroken front; that the whole continent would present an unbroken front vis-a-vis the U.S.S.R.

I welcome this opportunity of raising the subject before the committee. There are many considerations to be taken into account. It is a problem, and has been a problem for successive governments, to weigh these considerations pro and con.

I would like to outline some of these considerations and to outline them very frankly to you this morning. From a strictly legal viewpoint Canada may not need a specific invitation to join the O.A.S. I mentioned the change in one of the articles of their constitution a moment ago. Article 2 of the charter of the organization of American States simply states "all American states that ratify the present charter are members of the organization of American states." The word "states" replaces the word "republic." Having regard to the wording of that article in the constitution of the O.A.S. it would be sufficient for Canada to ratify the present charter, and automatically Canada would become a member of the organization. However, we would not take such an action as that. We want to find out whether we would be acceptable. On the other hand, I cannot see, from what I have heard, that the Latin-American countries would issue even a formal or informal invitation to Canada to join unless they had been satisfied from preliminary soundings—and that is what is being done now—as to whether Canada would be likely to accept a formal or even an informal invitation. So that is where the matter stands at the present time.

We have to weigh this question: would Canadian membership in the organization be to the mutual advantage of the present members of the organization and to ourselves? Twenty-one states now are members of the organization; twenty, you may say, are designated as Latin-American, and then the United States. I found in going into this question that the answer to it is not as simple as I would have expected. One does not join—and I am saying this very seriously, having regard to Canada's record in respect to its membership in various international organizations—an organization such as this as an individual would join a club. We must look at the rights, the privileges and also the obligations.

I would remind you in passing that the O.A.S. is regarded and recognized by the United Nations as a regional organization by that body.

To come back to my theme, we have no desire to join an international organization just for the mere sake of joining, just for the sake of satisfying wishes and desires that have been expressed to me. If we join the O.A.S. we must be prepared to fulfil any and all of the obligations which that membership would entail. Canada has never joined any international organization unless it was able or thought it was able to pull its weight. And of course Canada's record in fulfilling the duties and responsibilities imposed by membership in any international organization has been most satisfactory.

I wish at this time to come to the obligations that would be involved in accepting membership in the O.A.S. First of all, there are some general obligations—and I am reading these very carefully—arising from the O.A.S. charter. It would be on the condition that Canada would agree to respect certain fundamental rights of other states, a restatement of the principles of the United Nations charter, and of international law. There would also be an obligation to cooperate on economic, social and cultural matters, as well as on the incidental matter of granting privileges and immunities to certain classes of O.A.S. personnel.

Now with respect to defence obligations, Canada would be morally bound, although I do not think it would be legally bound, to sign the Rio Treaty of 1948, the Latin-American treaty of reciprocal assistance. It would be the responsibility of our military authorities to study in detail these obligations; but certain ones, even to a non-military man such as myself, are apparent. Principally, Canada would recognize that an attack against any American state is an attack against Canada, whether the attack comes from within or without the hemisphere. Further, as a regional regulation under the United Nations the O.A.S. could be called upon by the United Nations to deal with local issues. I would say here that Canada, thereby, through its membership in the O.A.S., might become more directly involved in conflicts arising in Latin-America after signing the Rio pact. The obligations of the pact range from the temporary withdrawal of heads of missions to military intervention; but I am bound to observe that these obligations might not be as far-reaching as they may appear to be on the surface. I do not think that they would be any more far reaching than obligations accepted by Canada under the United Nations charter. We must observe—and this is a political observation—that most Latin-American nations are reluctant to intervene in each other's affairs. In the second place, no state may be required under the Rio Pact to use armed forces against its wishes. That is left quite open in the terminology of that Pact and they are not compelled to participate and use armed force if that is not their wish.

In terms of personnel, I mention this, that if Canada joined the O.A.S. there would have to be participation by our military authorities in meetings that have been and are being held, not infrequently, between the opposite numbers of the 21 other states. Those meetings are held at the highest level. Then there is another aspect, that if Canada joined the O.A.S. it would feel required, I am sure, to fulfill the diplomatic obligations involved in so doing, that is, to open additional diplomatic missions very soon after joining the O.A.S. and to strengthen some of our present missions.

At the present time we have 46 missions abroad and 11 of those are in Latin-American countries; so at the present time approximately one-quarter of our representation is to be found in Latin America. Undoubtedly we would be obliged to establish a separate delegation to the Council of the Organization of American States. The council meets in Washington, and that is where we would have to place a mission. Resident Ambassadors would have to be appointed to missions now headed by Charges d'Affaires. We might be required—and the pressure might be quite heavy in this regard—to establish new missions in Latin America. That would be desirable, I know. It would be desirable if Canada could be represented in all the countries of any significance throughout the world; but we do have to establish priorities in this regard.

I would mention here that, as has been done in the past with regard to Latin America, we might give double accreditation to our representative in a particular capital. There would then, however, be pressure to establish a resident Charge d'Affaires in the other of the countries in respect of which double accreditation has been given, and that is a question of increasing our personnel and finding personnel fully qualified for those offices. These are not insuperable obstacles, but the membership would involve the strengthening of some of our missions already established in Latin America. Then, in terms of personnel—and, of course, this is an essential factor—Canada will also commit itself to participate in a large number of meetings.

Since I have come to the department I have recognized more clearly than ever before the load on our staff. We are members of the United Nations and the North Atlantic Treaty Organization; how they prepare themselves and get around to attend all the various meetings, even in those two

organizations, is a matter of great surprise to me. Their activities in this regard deserve the praise that was accorded to the staff of the Department in the debate of last Thursday.

In addition to the permanent mission that would have to be established for Canada in its relations with O.A.S. in Washington, there would be ad hoc though infrequent foreign ministers' meetings and consultations such as are provided for under the constitution of the O.A.S. Then under that constitution an inter-American conference would be held; but that meets about every five years. At this conference an 18 or 20-member delegation, headed by the foreign minister, would be expected. Then there are a myriad of organizations, subsidiary bodies in which participation would be required, and indeed we do send unofficial members to some of the meetings of some of the subsidiary bodies.

We would have to increase our personnel. That is a question of staffing and a question of financing. Abroad the minimum establishment for a new and separate mission in Washington would run into considerable numbers.

By joining the O.A.S., we would assume certain cultural obligations. One of these obligations, I think, is possibly highly desirable, and I speak with some knowledge in this particular field. There is one provision under the constitution of the O.A.S. that provides for a scholarship exchange whereby each member country grants two scholarships a year to every other member country. This would involve Canada, and I think it would be a good investment,

Subject to financial considerations, it would involve Canada's granting about 40 scholarships a year to the Latin American members of the O.A.S. The financial obligations would not be light; but I hasten to say that I do not desire to give the impression that I value our relations with any group of countries in terms of money only.

I have a breakdown here in the form of an estimate of what the initial cost might be. The establishment of a mission in Washington, the strengthening of our missions in Latin America, together with other incidental costs, would amount to something in excess of \$1 million a year.

I think one might fairly say that there are few concrete and specific advantages which would visibly accrue to Canada by virtue of simply joining the O.A.S. I say "concrete". I ask this question: Would our trade pattern improve immediately? Would our defence be made easier? Would our excellent relations with the Latin-American countries be greatly improved overnight? I raise those questions deliberately. But I do say that the advantages would be of a more subtle nature and some of them would not be realized for some time.

First of all, our entry into the O.A.S. would create an awareness or increased acceptance of Canada in Latin America. There is no doubt about that; and that is what is behind these questions that have been addressed to us by the various Latin-American republics. Our happy relations with those countries undoubtedly would be enhanced by our joining the organization.

They would say: "Ah, now we are one big continental family and there is no gap in that family such as there has been up to the time of Canada's joining"—if Canada decides so to do.

On the other hand, I would ask if there are better and more efficient ways of showing our interest and friendship; but in Latin-American eyes none, it seems to me, would equal our joining the O.A.S., where our absence, to which I referred earlier, has been very noticeable. From what I have heard in the Latin-American countries, our absence from the table has indeed been glaring to some of those countries.

There is one further point I would raise in this regard. Canada's membership in the O.A.S. would have the advantage of giving the whole British commonwealth more intimate contacts with Latin America. If the opposite reason

were present in 1941—and that accounts for a reversal in the trend at that time to join the O.A.S.—I think that that day has passed, and I do not believe there would be any anxiety on the part of the O.A.S. or the United States that our membership would not be entirely acceptable by reason of our commonwealth membership. Indeed, I would turn the coin over and say that I think they would welcome that connection with the commonwealth. It may well be that the West Indies Federation, when it comes into full membership in the British Commonwealth would become a member of the O.A.S. and if Canada accepted membership and if the West Indies Federation came into that organization there would then be two from the commonwealth. There would be two representatives to put forward in some measure the views of the commonwealth, and thereby exert some influence on the deliberations and the decisions of that body.

By joining the O.A.S.—I come back to this point—Canada could contribute to holding for the west the friendship in the O.A.S. of 20 nations whose total population is already bigger and is increasing much faster than that of North America.

Also, we must come back to this point with respect to trade, that there is a good market, and should be an increasing market, for Canadian goods in that area. It could also be regarded as a source of raw materials which, if used, would assist our own economic development. I wonder whether trade would be greatly increased—I raise this question—by virtue of our membership in the O.A.S.? They are keen traders. They have their very difficult exchange problems; but, on the other hand, they have a high regard for Canadian products. Indeed, they have such a high regard that I can believe two or three stories that I heard to the effect that they will pay even more for Canadian products. But they run up against a problem, in terms of exchange and in terms of credit; and Canadian firms have lost business in Latin America, not by reason of prices, not by reason of the quality of their products, but because Canadian firms have not been in a position to give credit for purchases that would compare with credits that are extended by the Import-Export Bank of the United States.

Canadian firms have not been in a position to give credit such as is extended by countries as Germany and Japan; and it has been anticipated that perhaps at this session of parliament some steps may be taken to enable our manufacturers, for example, to extend credit of a kind that could not be assured by the commercial operation of our banks.

I was informed, that in absolute terms, we are holding our own in Latin American trade; but in relative terms we are going back, because their trade has been expanding and is expanding, and will expand; but because Canadian exports to Latin America are stated we are losing ground, in relative terms. One of the problems is that relating to credit terms that can be extended to them.

I would now like to turn to another aspect of this question, and I am going to speak very frankly in this regard. What would this do to our relations with the United States? I cannot quote directly from the conversations that I had, but I can discern one school of thought—that our membership in the O.A.S. might damage our relations with the United States; that we have our own problems with the United States, and why should we go into this arena and add to those problems?

To extend that further, it might well be—and this is an understatement—that our membership in the O.A.S. would put us in the position where the Latin-American countries might expect us, in most if not in all circumstances where there was disagreement to side with them in opposing actions or proposals or policies of the United States; and that could aggravate our relations with the

United States on matter which are not direct, concern as between Canada and the United States. That is a consideration which we have to keep in mind.

The reverse hypothesis could also be disturbing. The Latin-Americans might not long remain happy with a new Canadian member if too frequently, in their opinion, Canada sided against them and in favour of the United States in possible disagreements.

Now, having said that, I remind the committee that that possibility is always involved—it might be accentuated here—when Canada joins international organizations; may we have on occasion, through our membership, disagreed with the United States when we met them in the forum of international organizations, other than the one to which I have been referring. But those are considerations we would have to keep in mind.

I come back, however, to personnel, and I am greatly concerned about that. Our foreign service is relatively young. Most of its expansion has taken place during the last twenty years. When World War II began we had only a half dozen missions in all the world, and we had none in Latin-America.

Then I come to another point, that we are a nation of 17 million people. I made no commitment; I was in no position to make any commitment in the capitals of the Latin-American countries which I visited, but I said very frankly to them that we are a member of a number of international organizations and for 17 million people. Our existing commitments are very extensive. We work hard at the United Nations, and the contribution we make to the United Nations is of assistance, not indirectly, but directly to them. I shall mention some of the organizations under the U.N.: the world health organization; the international labour organization and the various subsidiary organizations of the United Nations. I am thinking of the technical assistance program; I am thinking of the special fund which was established; and I could go on through that list. Some of the benefits that are derived from the activities of the United Nations and its subsidiary organizations accrue directly to the Latin-American countries. We make our contribution to the world bank; to the International Monetary Fund these benefit, in considerable measure, the Latin-American countries.

As I pointed out to them our participation in NATO in its general European aspect, and in the North American aspect, is indeed an assurance to a considerable degree of Latin American defence.

I could go on through the list of the organizations which we as a middle power support and thereby benefit directly the Latin-American regions.

I would be greatly concerned if joining the Organization of American States would involve us in a situation where we might have to cut down or to slacken some of the efforts we are making in the various organizations to which I have referred, in order to make more direct contributions to the Latin American states.

There is now being considered the operation Pan-America, a proposal which was put forward by President Kubitschek, first of all last winter, that there should be established a fund for the assistance of these countries. This would be a fund, however, to which the Latin-American countries as well as the United States would contribute.

They would expect us—perhaps they expect us now, but they would expect us much more urgently if we became a member of the organization—to contribute to that development fund.

I repeat that possible membership is something which has been before Canada for many decades; I am bound to report that these overtures have been made to us not only by reason of my visit to Latin America; they were being made well before my visit in November.

That was one of the reasons I decided to go to Latin America, even if only for a period of approximately three weeks—to meet the leaders of some of those countries and at the same time to consult the heads of our missions on the spot in Latin America.

I have endeavoured this morning to put before you as clearly as I can some of the considerations that we must keep in mind. I repeat that no decision has been taken in this regard.

Mr. PEARSON: Are we to assume from the minister's very comprehensive statement that there is no present intention on the part of the government to join the organization?

Mr. SMITH (*Hastings-Frontenac*): No decision has been taken in that regard.

Mr. MCGEE: Has any decision been made as to the possible obligations we might incur in the process? Has any estimate been made of the total cost on an annual basis? You mentioned the cost involved in this operation. Has any estimate been made of its on an annual basis?

Mr. SMITH (*Hastings-Frontenac*): I mentioned an operation which amounted to over \$1 million a year. It is difficult to assess what another obligation would involve—not one that we would have to agree to formally, but one in which we would be expected to do something—that is the Pan-America operation, to give it its usual designation. At the outset the present proposals called for a total of paid-up capital of \$550 million. The United States would contribute \$250 million; and as I mentioned earlier, the Latin American countries, certainly the more wealthy ones, would contribute to the plan's funds to the tune of about \$300 million. But what *we* might be expected to do, I cannot say precisely at this time. We would have to make a matching contribution in some way.

Mr. HERRIDGE: I appreciate the minister's very objective view of the situation with respect to Canada joining the OAS, and I have a question to ask him. I can understand that we would want to study this question very carefully, when the minister has said that we would hope for subtle advantages in return for cash under other circumstances.

Mr. SMITH (*Hastings-Frontenac*): Subtle need not be insubstantial.

Mr. HERRIDGE: I wonder if the minister could inform the committee how this would affect our responsibilities and cooperation with the commonwealth, because over the years there have been certain clashes in policy and outlook on very important questions.

My second question is: would this expenditure mean the lessening of our contributions, to let us say, the Colombo plan?

Mr. SMITH (*Hastings-Frontenac*): With respect to your second question, Mr. Herridge: I endeavoured to indicate our deep concern, lest that should happen. I would be against it.

Mr. HERRIDGE: I am very glad to hear that. What about my first question? How would this affect our responsibilities in cooperation within the commonwealth?

Mr. SMITH (*Hastings-Frontenac*): It could be argued both ways. First, as I indicated a moment ago, there might be clashes in interests; in some quarters there might be a revival, in the field of ideas associated with the Monroe doctrine.

It may be that we have come past that, having regard to today's anxiety with respect to the identity of a potential aggressor against the Americas. However, it could be argued on the other side that this would be another interpretive role that Canada as a member of the Commonwealth could play, vis-à-vis Latin America.

Mr. MACQUARRIE: Mr. Chairman, I too am tremendously interested in the minister's statement, having been one of those who was rash some years ago.

Mr. SMITH (*Hastings-Frontenac*): I was looking at you when I was making my statement. I was thinking of you.

Mr. MACQUARRIE: I noted that the minister spoke about the reaction, and the suggestion that came from Latin America. I recall that in the early days of the organization in the United States was quite opposed to Canadian participation, even if it were constitutionally possible for Canada to become a member of such an organization.

I would be interested to know if the minister would care to divulge what the current attitude of the United States might be towards our membership. I have seen nothing more official than the statement of Senator Vandenberg made some years ago, when he said that we had now come to the time when Canada should belong.

I believe we could say that until quite recently an argument against Canada's participation might have been the fact that the organization was structurally even if not constitutionally, dominated by the United States. In fact, I think, it used to be called, an agency of the state department. But that of course does not apply any longer.

I wonder how many of the specialized inter-American agencies, like the sanitation unit, the geographical unit and so on, are also participating in a sort of atmospheric basis?

Mr. SMITH (*Hastings-Frontenac*): Three or four, according to my recollection. I do remember the sanitation one. Mr. Coffin speaking recently in New England, about the O.A.S. proposed that Canada become a member. We have had no formal discussion with the state department on this point; but I hasten to say that since there have been so many things of urgency that does not indicate that it has not been raised.

That is a fair explanation. But we have with us this morning Mr. Robertson, who was until recently the ambassador of Canada to the United States; and I would ask him to judge the accuracy of this statement.

Mr. N. A. ROBERTSON (*Under-secretary of State for External Affairs*): I have no reason to believe that the United States of America would be opposed to Canadian participation.

Mr. MACQUARRIE: The movement would be no less genuine?

Mr. SMITH (*Hastings-Frontenac*): Although I have no direct knowledge of the situation in 1941, I do understand that in 1941 the trend in favour of Canadian membership—the war was on at that time and the United States had not yet come into the war—was reversed by attitudes in Washington.

Mr. MCGEE: Frank Coffin also spoke at the Canadian Club in Toronto last fall and raised what were ostensibly Canadian-United States relations. He devoted most of his time to the Russian trade offensive in the South American countries. He produced what were to many of us rather surprising statistics indicating that barter arrangements of an extensive nature had been made, referring especially to lead, zinc and agricultural products in exchange for machinery from iron curtain countries. He also made a possibly more alarming statement dealing with their infiltration and control of communications in radio, press and others in South America. He placed the O.A.S. in the framework of the west's counter-offensive. I am wondering just how much of that is part of the thinking of the department?

Mr. SMITH (*Hastings-Frontenac*): I might well have mentioned that. I thank you for raising it. I can point that up by recollection. I got off the plane at Lima and was interviewed by the press. The first question they asked was: "You export lead and zinc?" "Yes". "What do you think of the the U.S.

action in this respect?" I said, "I am not very happy about it." "Why have you been able to get special deals with the U.S. and thereby make it worse for us?" I said, "That has not been done; we have had no concessions in that regard and we are in the same boat as you."

The Foreign Minister of Peru did not mention this but I could foresee the anxiety on the part of Peru and an identity of interests between Canada and the Latin-American countries.

Mr. JONES: I suppose that situation might have come up also in connection with oil?

Mr. SMITH (*Hastings-Frontenac*): I did not visit Venezuela.

Mr. NESBITT: On the subject of the Latin-American relations, would the minister care to make any comment on how self-government may or may not have affected any relations Canada may have had with Cuba?

Mr. SMITH (*Hastings-Frontenac*): I do not think I could say anything else other than that they are just as cordial as they were under the Batista regime. I say this very firmly, that I am very pleased we did not succumb to the requests for supplies of armaments and military equipment to Batista. That is a great advantage now in respect of our relations with the present government. Our stock is higher than that of some other countries of the west in that regard.

Mr. NESBITT: Along the same line, you would not say, Mr. Minister, that there was any danger whatsoever to any Canadian interests in Cuba?

Mr. SMITH (*Hastings-Frontenac*): There is no suggestion of it. I would suspect there would not be. I noticed in this morning's paper, however, that they have taken steps to expropriate a telephone company. That is my recollection from reading it.

Mr. MCGEE: There is a phrase in the charter which you quoted mentioning something about attacks from without or within. I am wondering whether the recent uprising in Cuba was classified as an attack from within, in the framework of that charter?

Mr. SMITH (*Hastings-Frontenac*): I am bound to be on the record that, although you cannot work it out in precise terms, such would be the opinions they themselves sought.

Mr. Robertson has made my understanding of your question more precise. It is within and without the hemisphere.

Mr. MCCLEAVE: I have two questions in respect of the costs. First, I would anticipate that any capital contribution we make to this fund which you have mentioned would be in the order of around \$20 million. Would this be in the ordinary form of a straight capital contribution, or will it be a case of dues being paid once being paid over again, with similar contributions being made by member states from time to time?

Mr. SMITH (*Hastings-Frontenac*): I have never heard any suggestion about a formula of assessment. They have a continuing committee working now under the O.A.S. composed of permanent representatives of the countries which are members of O.A.S. It is not contemplated there will be a formal assessment. After much discussion, it will in the end result in voluntary contributions.

Mr. MCCLEAVE: The other part of the cost would be the carrying on of our organization assuming we should join O.A.S. Has there been any estimate of that cost?

Mr. SMITH (*Hastings-Frontenac*): The \$1 million, as I indicated. I can contemplate in the first five years it would be heavier; we would have to obtain the accommodation for missions and so forth.

Mr. PEARSON: Has there been any uneasiness expressed since the change in government in Cuba as to the condition of Canadian insurance and banking activities there?

Mr. SMITH (*Hastings-Frontenac*): No. We are keeping our ears close to the ground in that respect.

Mr. KUCHEREPA: Are the communists making considerable inroads into the trade of South America as compared to the United States and Canada?

Mr. SMITH (*Hastings-Frontenac*): We could mention the fund established for the export-import bank; what they are providing is in stratospheric terms.

Mr. KUCHEREPA: I am referring to the communists.

Mr. SMITH (*Hastings-Frontenac*): The Latin-Americans really do not want to trade with the U.S.S.R. I mentioned one country not identified here. Just before I was in Latin America they took a large loan from the U.S.S.R. with interest at 2 per cent. There might have been some qualification as to when the interest would start to run; there may have been some concession there. They decided in terms of their internal economy they were bound to accept these proposals. That was one country. Even when I was in Brazil tempting overtures were made by the U.S.S.R. they finally decided they would not respond to those overtures.

Mr. KUCHEREPA: You might say they have not made considerable inroads in respect to trade.

Mr. SMITH (*Hastings-Frontenac*): Not considerable; but the way the U.S.S.R. proposal has been portrayed in respect of one country is that there are no strings attached. If you look at some of those proposals, you might come to that conclusion. But, it has been found in other parts of the world that they put in technicians and professional persons and depend on them gradually to take over the economy of the country.

Mr. MCGEE: I do not know if trade and trade missions is a proper subject at this time, but I find it difficult to dissociate them from the economy. There have been activities headed by Kit Carson from Toronto, who headed a group of businessmen to Latin-American countries looking for business. I wonder if you are aware of any other independent activity along those lines on the part of business groups in Canada.

Mr. N. A. ROBERTSON (*Under-Secretary of State for External Affairs*): The chamber of commerce went to the West Indies.

Mr. SMITH (*Hastings-Frontenac*): They also went to British Guiana. However, I am not competent to answer fully your question on this matter. I have paid a warm tribute to the members of the Department of External Affairs, but I would also like to take this opportunity to pay tribute to the activities of the representatives of the Department of Trade and Commerce. They are working to the utmost, and to good effect. However, they do run up against difficulties, particularly with respect to terms of credit.

Mr. NESBITT: Mr. Chairman, during the minister's recent visit to South America; although it was largely in Brazil, would he care to make any comment in regard to anything he heard with respect to how the recent world-wide recession had affected the economy generally of some of the South American countries.

Mr. SMITH (*Hastings-Frontenac*): Undoubtedly it has had a very direct effect and they are deeply concerned about the stability of the price of certain commodities. Take, for instance, coffee; I discussed this matter with the foreign minister of Peru the day I left. I was able to tell him that Canadian officials, along with a group of officials of various countries, were going to participate in studying the coffee situation. He regarded this as most welcome

news. However, it is the question of the stability of the commodity prices; and in that regard I might point out that Canada's participation in the tin and sugar agreements—and there is a third one which I cannot recall—has been a matter of gratification. The third is wheat.

Mr. PEARSON: Is it a fact that our coffee imports and some of our other raw material imports from South America are via New York, and shown as imports from the United States?

Mr. SMITH (*Hastings-Frontenac*): I could not say that, as this is a matter for Trade and Commerce.

Mr. JONES: Quite apart from O.A.S., did the minister run into requests while in South America for Canadian provision of funds to assist Latin-American scholars in increased numbers studying in this country?

Mr. SMITH (*Hastings-Frontenac*): There has been little done in that regard. I know particularly of one Canadian company operating in Latin America that has provided scholarships. Some students came to Canada under that scheme; but having regard to the problem of exchange, the scheme was discontinued. I have a note here in regard to the activities of the Canada Council, and they spoke to me about this in Latin America. The Canada Council has provided scholarships for the Latin-American countries.

The national research council offers post-doctorate fellowships, and the Canada Council inaugurated its non-resident awards scheme in 1958. While there is no specific quota for Latin-American students, ten, out of approximately fifty, received awards in the council's 1958 program.

So you can see that some steps have been taken in that regard, and they were very gratified that this had been done.

Mr. JONES: I take it from what you say that they would be interested in increasing this scholastic training.

Mr. SMITH (*Hastings-Frontenac*): Yes, and as I pointed out, if and when we join the O.A.S. it would be more or less a formal undertaking to underwrite some scholarships.

The CHAIRMAN: I understand the minister has another statement he would like to make at this time. As it will take about ten minutes, and time is moving along, I wonder if you would agree to hear it now. However, it will not preclude our returning to this Latin-American question at another meeting. Our next meeting will be held on Monday at 10 a.m.

Mr. SMITH (*Hastings-Frontenac*): This is in regard to a question which was raised—and may I say with respect that it was raised quite properly, particularly at this time—in the debate in the house last Thursday. It has to do with the political cooperation in NATO and, therefore, I would like to have this statement on the record.

I would just for a moment like to go back into the history of this matter. The North Atlantic alliance is something more than a military defence pact. It provides for intimate collaboration between sovereign nations, and the habit of working together, combined with the fact that the member countries have major interests in common and share a common outlook and tradition, having provided the framework for political consultation within the alliance.

During the first seven years of NATO, political consultation was encouraged by the increasing practice of holding private or restricted meetings of the council in which free and frank discussions were possible. A milestone was reached in 1956 with the publication and approval by the council of the report of the Committee of Three. One of the members of that committee is now the Leader of the Opposition. The foreign ministers of Italy and Norway also participated in this study. On the recommendation of the committee a meeting of foreign ministers is now held each year to appraise the political progress

of the alliance. On their recommendation a committee of political advisers under the Chairmanship of the Assistant Secretary General for Political Affairs, has been meeting regularly since 1957. That has been a most useful piece of machinery.

Then, there was another recommendation, as I recall it, by the Committee of Three that there should be set up a good offices procedure, to assist in the settlement of any serious disputes between members. That was something invoked, but not with any great success, any outstanding success, in the case of the dispute about fishing rights between Iceland and the United Kingdom. No less than 127 meetings of the council were held in 1958, and that provided for consultation. Of the 127 meetings, some 70 were private meetings devoted almost exclusively to political affairs. Of course, that makes for consultation. I would remind you, Mr. Chairman, and members of the committee, that that was intensified last year. There were discussions in the NATO council regarding a summit conference, the replies to Marshall Bulganin's letters, the suspension of nuclear tests, the prevention of surprise attacks, and developments in the Middle East and Far East. It worked exceedingly well at the permanent council level.

Then, in December, 1958 a meeting of the council was held in Paris, which I and some of my colleagues attended. I say frankly that I was somewhat concerned on Sunday, December 14, when the three occupying powers and the representatives of the West German government got together and discussed the situation. Willy Brandt also attended that meeting. A communique was issued. I have reported all this information to the house.

Then, on December 16, we considered in the full council the Berlin-German situation. I am very happy to report that the anxieties we had in that regard were dissipated because the three occupying powers did not go into the council and say "you must accept our view". We discussed the matter fully and, as I said last Thursday, of the discussions came the council's communique.

I do regard the communiqué of the NATO council as more constructive, but it did not represent any lessening of the firmness of our attitude with respect to our responsibilities to the West Berlin population. But I think you will find in that communiqué more emphasis in regard to a combination of firmness and the offer to negotiate and, to use the phrase I used in the house last Thursday, without immodesty I can say that Canada made a considerable contribution to that emphasis. As I said, and I repeat here, the policy is consonant with the Canadian position. I would say also frankly that there were suggestions emanating from France that there should be a triumvirate which would get together and suggest policies. We were greatly concerned about that because we did not want and would oppose the NATO council's becoming a rubber stamp for decisions made by any three powers who are members of NATO, whether they be Canada, Norway and Denmark, or France, the United Kingdom and the United States. That question was never raised in the meeting of the NATO council. The representative for France at the meeting of the NATO council indicated that they were very satisfied with the existing type of consultation; and it was firmly decided that there should not be any new machinery set up in that regard.

It was decided that we should increase our efforts toward not only information but consultation. It was felt that it should not be formalized but that the consultative spirit should prevail in that regard.

So I can report, in answer to the question asked, that in 1958 consultation was broadened and deepened. I can assure the members of the committee at the present time that there is full consultation with respect to the crisis that may arise in the next few months.

The CHAIRMAN: Gentlemen, this brings us within a minute or two of 10.30, and another committee is meeting here at that time.

I would like to ask the members of the committee if there are any particular subjects they wish to deal with at coming meetings, not necessarily the next one on Monday, but any other meeting. If you would indicate to me the particular subjects that you might want to discuss, I will arrange to have the proper officials here in attendance. There are times when the Leader of the Opposition may have a very busy schedule and there are times when he may not be able to be present. We will as far as possible endeavour to co-operate with all members in this regard. If you will let me know, I will do the best I can.

Mr. JONES: Mr. Chairman, do you think it is necessary to have a meeting on Monday next. Certain events are taking place around here on Monday that might perhaps detract from the attendance at this particular meeting. Perhaps with the consent of the committee we might meet later on in the week.

Mr. PEARSON: I know there are events taking place here on Monday and, I suppose, on Tuesday and Wednesday. I would think perhaps that we could have a meeting Monday at 10 o'clock. I understand the minister will be here.

As far as I am concerned, I would like to follow up the question which was raised at the end of this meeting, consultation with particular respect to the situation in Berlin and Germany, and try to talk about some of the results of this consultation in terms of policy in respect to these matters I have mentioned.

Mr. SMITH (*Hastings-Frontenac*): I just say this: I hope I can be helpful and that we will have some information in that regard. I am sure the Leader of the Opposition fully knows that the wires yesterday and today are hot.

Mr. JONES: There is another question I would like to raise. Have the steering committee and the minister considered the advisability, in view of the present tension existing over the Berlin question of having maybe one meeting in camera to discuss that situation? Do you think that would be useful?

The CHAIRMAN: I can say very frankly we have not considered that. As I mentioned earlier, the steering committee is not yet complete; consequently, I was waiting until I had received all the names.

Mr. HERRIDGE: I would like to support Mr. Pearson's suggestion, and some of us I know would like to discuss what would flow from that, the Rapacki plan and possibly Mr. Macmillan's visit to Moscow.

The CHAIRMAN: The difficulty arising on Monday is due to the visit of the farm groups from the west. But we are running into this problem: we gave assurances at the first meeting that we would try, as far as possible, to hold these committee meetings while the house is not sitting, and there are numerous other committees meeting from time to time. It is becoming almost impossible to obtain a room. I think if we are going to do justice to the estimates, we will have to avail ourselves of every opportunity in order that we may cover these estimates.

The next meeting will be on Monday at 10 a.m. in room 238S. However, you will be receiving a further notice in regard to this.

This meeting of the committee is adjourned.

Canada. External Affairs, Standing
Committee, 1959

Government
Publications

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

MONDAY, MARCH 9, 1959

ESTIMATES OF THE DEPARTMENT OF EXTERNAL
AFFAIRS—1959-60

Statement by The Honourable Sidney E. Smith, Secretary of State for
External Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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Cardin,
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Garland,
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Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,

Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, March 9, 1959

The Standing Committee on External Affairs met at 10:00 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Messrs. Crestohl, Dinsdale, Fairfield, Herridge, Jones, Lennard, Macquarrie, Mandziuk, McCleave, Montgomery, Nesbitt, Nugent, Pearson, Smith (*Calgary South*), Vivian and White.

In attendance: The Honourable Sidney E. Smith, Secretary of State for External Affairs and messrs. N. A. Robertson, Under-Secretary of State for External Affairs; R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; H. F. Davis, Head, European Division; C. Hardy, Latin American Section; J. H. Taylor, Executive Assistant to the Under-Secretary of State for External Affairs; and W. T. Delworth, Executive Assistant to the Minister.

The Chairman observed the presence of quorum and announced the composition of the Sub-committee on Agenda and Procedure as follows: Messrs. Lennard, Richard (*Ottawa East*), Kucherepa, Crestohl, Lafrenière, Jones and Herridge.

Item 76—General Administration, was called and the Secretary of State for External Affairs was asked to proceed with an elaboration of his statement of Thursday, March 5, 1959.

Mr. Smith spoke of the Berlin crisis and outlined developments in that area since the end of World War II. He was questioned by members of the Committee.

At 11.45 a.m. the Committee adjourned to meet again at 9 a.m. Thursday, March 12, 1959.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

MONDAY, March 9, 1959.

10:00 a.m.

The CHAIRMAN: Gentlemen, I notice we have a quorum. Let us commence our deliberations.

Just before we do, however, I wish to announce the names of the members of the steering committee. They are Messrs. Lennard, Richard (*Ottawa-East*), Kucherepa, Crestohl, Lafreniere, Jones and Herridge.

We are still considering item 76, and the minister will continue his explanation of that item.

Hon. SIDNEY E. SMITH (*Secretary of State for External Affairs*): Mr. Chairman, I thank you for the opportunity to elaborate in some degree with respect to the Berlin situation. For the information of the members of the committee it seems to me highly desirable that we should get the setting for that.

Mr. Chairman, I am not going to go into great detail.

At the last meeting of the committee—indeed the first full meeting of the committee held last Thursday—just before the termination of the meeting, I spoke of consultation.

At the close of the meeting the Leader of the Opposition indicated that he would, at the next meeting, ask some questions about the extent and scope of that consultation, with particular reference to the Berlin situation.

I am not trying to be canny when I make an observation along the lines of one I made last Thursday: that at this particular time any government is somewhat restricted; I used the expression that the wires are hot. That was on Thursday. They were even hotter over the week-end with respect to communications back and forth with NATO—with our representative on the NATO council—and with our representatives in the various capitals of the world.

It is always a problem how far one should go in stating a public position at a time like this. Indeed, the very word “consultation” indicates that there should be consultation before any one member of the NATO council goes to the press and states a firm position. Indeed, the need for consultation is why Mr. Macmillan will be in Paris and in Bonn this week; and that is why he will come to Ottawa next week, and then proceed to Washington.

It is a grave situation. I think I can say this: that for me there may be more hope of a solution than appeared when I participated in the debate on external affairs on February 26.

I reiterate what I said on Thursday, that the NATO council is fully seized of this situation. They are now studying possible solutions and conducting an examination of every facet of the situation.

Now, to go back to the note that I struck a few moments ago; this involves a discussion of many points of view, some of which have been accepted already and some of which have been discarded.

I certainly proclaim the old “Wilsonian” doctrine that there should be “open covenants openly arrived at”. But if I remember correctly, Mr. Pearson once said that he did not know whether the open covenant should be openly arrived at. There should be open covenants in particular circumstances but

open discussion may not be the best formula for achieving them. Having said that, I am here to give you as much information as I can subject to those considerations.

All the council members—I say again—are agreed that the Berlin situation must be kept continuously on the agenda of that body. One subject that will be coming up now will be the consideration of a reply to the notes that the U.S.S.R. sent to the occupying powers and to the other countries on March 2nd. In so far as the note to Canada in concerned this was in reply to the note we sent on February 17. I think the occupying powers sent theirs on February 16.

For some weeks now, the United States, France and the United Kingdom have made reports to council of the situation and have made it clear that they desire to get the views of all the governments represented on the NATO council.

One must realize, however, that the three occupying powers have special responsibilities that are not shared by the other members in NATO. And too, as Mr. Pearson said in the house on February 26 little if any information was given to Canada when the blockade of Berlin arose. But Canada was not as directly committed at that time as she is now. I shall refer to that matter in a moment.

Having talked about the special responsibilities of the occupying powers, I hasten to say again and to emphasize that Canada is directly concerned, having regard to our commitments. It is indeed satisfactory to report that there has been no disposition on the part of the occupying powers to disregard the views of the other members of NATO. Indeed, I turn the coin over and say that they have repeatedly requested the views of the other countries.

I anticipated a moment ago that it would be useful to get the setting in this regard. I would like first to speak of the setting in respect of the right of access of the occupying powers to Berlin.

The western occupying powers, the United States, the United Kingdom and France consider that they possess an undeniable right of access to West Berlin, and that this right is derived from the conquest of Germany.

The occupying powers take the view that because of the unconditional surrender of Germany in 1945, the allied victors had the right to occupy any part of Germany, and that included Berlin, and that the various arrangements between the wartime allies merely defined the manner in which this right of occupation would be carried out.

As was stated in the House on February 26, the right of access to Berlin is implicit in the arrangements made in 1944 and 1945 over the occupation of that city.

I emphasize that the people of West Berlin whole-heartedly welcome the continuing presence of western garrisons in West Berlin. They do not regard the occupying powers as conquerors; they welcome them as a bulwark to their own security.

Indeed, this was shown very clearly by the results of the West Berlin elections which were held last December in the course of which communist candidates campaigned for the Soviet proposal for a free city in West Berlin and received almost no support from the voters.

I have here, sir, a resumé of the various negotiations of 1943, 1944 and 1945, and then later with respect to this situation at the time of the Berlin blockade. It seems to me that it would be long and rather tiresome for those who are listening if I went through all the details, so I wonder if the committee would decide whether I could have this review of the agreements that support the statement I made printed as an appendix to what I am saying here today? There are about four pages, and perhaps the members of the committee might decide that I read them.

The CHAIRMAN: What is the wish of the committee?

Mr. CRESTOHL: Perhaps the minister could give us a summary.

Mr. LENNARD: The minister has already done that, Mr. Chairman.

Mr. SMITH (*Hastings-Frontenac*): I do not want to condense it more; otherwise I would be giving only half of the picture. But I shall say to the committee that, first, a preliminary agreement was formulated in 1944 by the European advisory commission which had been established at the Moscow conference in October of 1943. That was during the war, of course.

On September 12, 1944, the European advisory commission, made up of the three main powers on the allied side, drew up a document known as the "Protocol of the Zones of Occupation in Germany and the administration of Greater Berlin".

This was signed by representatives of the United States, United Kingdom and the U.S.S.R., and subsequently approved by the three governments. The Protocol in its final form provided, amongst other things—and I am quoting—that:

Germany within her frontiers as they were on the 31st of December, 1937, will, for the purpose of occupation, be divided into four zones, one of which will be allotted to each of the four powers, and a special Berlin area, which will be under joint occupation by the four powers.

Those were days of great confidence with respect to the future cooperation of the allies.

A further agreement was adopted by the European advisory commission on November 14, 1944, setting more specifically the arrangements of control machinery for Germany and Berlin. Article 7 of this 1944 agreement reads as follows:

An Inter-Allied Governing Authority—Komandatura—consisting of three commandants, one from each power, appointed by their respective commanders-in-chief, will be established to direct jointly the administration of the "greater Berlin" area. Each of the commandants will serve in rotation, in the position of chief commandant, as head of the Inter-Allied Governing Authority.

Reference to occupation of Berlin was also made in the agreed statement of the heads of government of the United States, United Kingdom and U.S.S.R. following the Yalta conference. A section of the agreed statement of February 11, 1945, was in the following terms:

Under the agreed plan, the forces of the three powers will each occupy a separate zone of Germany. Coordinated administration and control has been provided for under the plan through a central control commission, consisting of the supreme commanders of the three powers with headquarters in Berlin. It was agreed that France would share in these arrangements.

This is the first mention of France.

After the capitulation of Germany, the four allied governments issued amongst other documents a statement on the zones of occupation in Germany. It set out the areas agreed to previously in the European advisory commission. Article 2 of this statement—after the capitulation of Germany—bearing date of June 5, 1945, reads as follows:

The area of "greater Berlin" will be occupied by the forces of each of the four powers. An inter-allied governing authority—in Russian, Komandatura—consisting of four commandants, appointed by their respective commanders-in-chief, will be established to direct jointly its administration.

And so we have for the fourth time a reiteration of this policy.

On June 14, 1945 the President of the United States wrote a letter to Marshal Stalin concerning the withdrawal of United States troops from the Soviet zone into the United States zone of occupation. He proposed that this transfer be carried out, and these are the exact words:

"In accordance with arrangements for simultaneous movements of the national garrisons into greater Berlin and provision of free access by air, road, and rail from Frankfurt and Bremen to Berlin for United States forces."

That's the end of the quotation. I have heard Mr. Dulles make an observation with respect to this. And so on the basis of this undertaking and this promise that had been repeated several times, the United States withdrew its forces from the east and brought them back. Thereby, the Russian government, the U.S.S.R., came into full control of the area that is now East Germany—and that was done in the confidence that the agreement with respect to Berlin—and that was one of the factors—would be always observed. Marshal Stalin replied by letter dated June 18, 1945, stating:

On our part all necessary measures will be taken in Germany and Austria in accordance with the above-stated plan.

On July 1, 1945, United States forces entered Berlin and withdrew from their advance positions in Eastern Germany. United Kingdom and French forces subsequently took up positions in the western part of the city. In preparation for this change a conference was held on June 29, 1945, between the commanders in chief, Marshal Zhukov, General Clay and General Weeks, and arrangements were made for use by the western powers of specific roads, rail lines and air lines for the purpose of exercising their rights of access to Berlin. These general arrangements were defined further through actions of the allied control machinery in Germany. In addition, a variety of working practices and arrangements grew up in respect of the exercise by the western powers of their rights of access to Berlin.

I mention here that the Soviet government in its note of November 27, 1958, seemed to link the four-power agreements on Germany, to which I have been referring, with the Potsdam agreement of August 1, 1945, and to cite alleged violations of the Potsdam agreement as a reason for declaring null and void these other agreements which I have cited.

It was subsequently pointed out by the western powers in public statements that the occupation arrangements for Berlin entered into force considerably before the conclusion of the Potsdam agreement, and did not depend on the Potsdam agreement for their validity, since the Potsdam protocol did not concern itself in any way with the agreements on Berlin. Now that is the statement; and I am convinced it is a clear record with respect to the rights and, naturally, the responsibilities of the three occupying powers of the west in regard to Berlin.

I would like to deal again for a moment with the post-war development, in order to get the setting. In the years immediately following the war increasing disharmony developed between the Soviet Union on the one side and the western powers on the other over arrangements for Germany and Berlin. Efforts made through the council of foreign ministers to make progress toward a peace treaty for Germany came to naught.

On March 20, 1948, the Soviet representatives walked out of the Allied Control Council for Germany which met in Berlin, and shortly thereafter the Soviet authorities attempted to impose increased controls on the movement of the forces and goods of the allied powers between West Germany and West

Berlin. There followed a series of restrictions, as we remember, on traffic to and from Berlin which ultimately developed into the Berlin blockade.

As is well known, an airlift was mounted by the three western powers to supply the city of West Berlin. This was a dramatic and successful effort to demonstrate to the Soviet Union that unilateral action of that kind to terminate agreements and to abandon responsibilities based on solemn international undertakings would be met with firm resistance by the western countries. Well, as you know, the blockade was unsuccessful.

On May 4, 1949, the governments of the United States, the United Kingdom, the U.S.S.R. and France reached an agreement at New York which provided in part as follows—and you will find in this text a reaffirmation of the old position as established through those earlier agreements. I am now quoting:

All restrictions established since March 1, 1948, by the Soviet government on communications, transport and trade between Berlin and the western zones of Germany and between the eastern and western zones will be removed on May 12, 1949.

This agreement was subsequently endorsed by the foreign ministers of the United Kingdom, France, United States and the U.S.S.R., meeting in a session of the council of foreign ministers in Paris.

Mr. Chairman, what I have been endeavouring to outline to you represents the essential four-power arrangements relating to Berlin. They show clearly, and convincingly, that the western powers have every right to continue to remain in West Berlin until and unless some other arrangements for this city, acceptable to all the nations concerned and preferably—we have always said “preferably”—based on the reunification of Germany, are arrived at as a result of freely adopted agreements. These agreements should stand until that happy event would come about.

On the western side care is being taken to ensure that no subsequent action would interfere with the basic western rights in Berlin. Thus when sovereignty was granted to the Federal Republic of Germany, effective in the middle of 1955, the western powers reserved to themselves their rights and responsibilities relating to Berlin and to Germany as a whole.

Similarly, on the Soviet side, you can find some indications, if not in a formal sense, that they take the same view. They have not really formally made East Berlin a part of the German Democratic Republic. This is in a sense a practical admission of responsibility under the four party agreements for Berlin. Specific Soviet responsibility for controlling the flow of military personnel and goods to and from West Berlin was defined by the Russians themselves in an exchange of letters accompanying a treaty between the Soviet Union and East Germany in September, 1955.

I can go further, Mr. Chairman, but I do not want to get into the legal intricacies of the situation relating to Berlin; but it seems to me that it is highly desirable that we should have here a clearer appreciation of the foundation for what the West calls the right of access of the western powers to Berlin. They are well grounded in historical fact, and in established practice and custom that has developed and has been recognized since blockade of Berlin in 1948.

The Canadian government is fully aware of the dangers of the Berlin situation, and realizes the obligation of the occupying powers to study how they should meet any possible development. May I say this very seriously and, indeed, very soberly, that it is our sincere hope that the extremes which must be envisaged by any planning for contingencies can be successfully avoided. May I say this: I do not know whether or not it is helpful at this stage for anyone to say “If you shoot, I will shoot.” We are talking about possible

eventualities. We should not go around with chips on our shoulders on either side of this dispute. It is the Canadian view that we cannot allow the 2½ million West Berliners to whom we have pledged ourselves to be absorbed in East Germany.

Mr. Khrushchev implied in his speech at Leipzig at the end of last week that the transfer of Soviet responsibilities in Berlin to the East German regime, which he had scheduled for May 27, could not be considered as an ultimatum. There is an opportunity for discussion and negotiation, and he did say in that Leipzig speech that if reasonable negotiations were undertaken before May 27, the date for changing the situation in Berlin could be postponed, and he did suggest that it could be postponed for a month or two until June or July.

The basic situation, Mr. Chairman, despite these remarks of Mr. Khrushchev, remains the same; but it does strengthen our hope that fruitful negotiations can get under way and that the basis of an agreement can be found on broader issues, thus possibly leading to a situation in which Berlin will no longer be a source of international tension.

I touched on the situation with respect to Berlin and NATO in my speech in the house on February 26, but I would now like to expand somewhat on what I said then. I spoke a moment ago about Canada's lack of commitments to the Berlin situation in 1948, when Berlin was subjected to this blockade. Also, I pointed out that our commitment is now much more exact, much more firm, than it was at that time.

In October, 1954, there was held a conference in London. That conference had to do with the making of plans for the termination of occupation of the Federal Republic of Germany and for the incorporation of West Germany in NATO. At that conference the three western powers issued a declaration dated October 2, 1954, stating that:

The security and welfare of Berlin and the maintenance of the position of the three powers there are regarded by the three powers as essential elements of the peace of the free world in the present international situation. Accordingly, they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They therefore reaffirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves.

Immediately following the London conference there was held a meeting of the NATO council, and at that meeting the Federal Republic of Germany was invited to accede to the North Atlantic treaty. At that meeting on October 23, 1954, all the members of the NATO council, including Canada, associated themselves with the three-power declaration on Berlin which I have just mentioned. They declared that any attack on Berlin would be an attack on them. That was declared by all the members of NATO. It is from this date that Canada has been very directly concerned with Berlin. True, we have not been as directly involved, as I said earlier, as the occupying powers.

The Federal Republic of Germany has been intimately concerned, of course, with the Berlin situation. One can understand the force and validity of the view of the West Germans. They still consider Berlin as the eventual capital, the renewed old capital of a unified Germany. Then, West Germany has a responsibility to pay such occupation costs as are requested by the three western occupying powers in Berlin. This they have undertaken and have fulfilled. These occupation costs have not been paid directly to the occupying powers; they constitute an element in the substantial subsidy which is given by the Federal Republic of Germany to the municipal administration in West Berlin. It is a substantial subsidy that West Germany pays to West Berlin and, indeed, it represents, in considerable measure, an important form of assistance to the economy of West Berlin.

In addition to this declaration of the NATO council, in which Canada joined on October 23, 1954, there is an obligation to be found in article 6 of the North Atlantic treaty. Article 6 provides, in effect, that an armed attack on the occupation forces—it is set out there specifically—in Europe of any party to the treaty constitutes an armed attack against all parties within the meaning of article 5 of the pact.

I would just mention, in passing, that Canada has long shown a strong interest in West Berlin. Well before diplomatic relations were entered into between West Germany and Canada we maintained in West Berlin a small Canadian mission. That was accredited to what was known then as the allied control council. At the present time our mission in West Berlin is closely coordinated with our embassy in Bonn. The Canadian ambassador to West Germany carries the title and responsibility of head of the Canadian military mission to West Berlin and he makes frequent visits to that city. We have a foreign service officer on a permanent basis along with some other staff members to operate this mission in West Berlin. I could elaborate on the duties of that mission. It works under our Ambassador to Bonn in connection with consular duties, information work and activities of that kind.

I would speak now of the access of the members of our Canadian mission to and from West Berlin. We have directed them over the years to go to and from our mission in West Berlin by commercial airline, so that there would be no possibility of the Russians barring their way on the grounds that Canada was not a party to the original agreements with respect to the access by road and rail.

I might say a few words about methods of access in general. There are three commercial airlines operating into west Berlin—Pan-American airways, British European airways and Air France; one airline for each occupying power. As you know, the commercial airlines make use of agreed air corridors. The occupying powers make principal use of road and rail traffic as provided for under the agreements. The vehicles of the occupying powers pass through two check points on the road to West Berlin and are passed through by Soviet military guards when their occupants present appropriate identification. West German and West Berlin traffic is inspected by the East Germans, but the papers carried by the traffic of the occupying powers is inspected by Soviet officials.

Mr. Chairman, even since February 26, when we discussed these matters in the House, there have been important developments. On March 3, at the conclusion of Mr. Macmillan's visit to the U.S.S.R. a communiqué was issued. I think it is useful for us to look for a few moments at the nature of that communiqué and of subsequent events. This communiqué, enunciated certain principles. It was stressed that the two prime ministers did not hold negotiations but rather an exchange of views and, as Mr. Macmillan pointed out, both before going to Moscow and since his return to London, his talks in the U.S.S.R. could be considered as being in the nature of a reconnaissance.

On the most important issues, those relating to Germany and Berlin, the prime ministers were unable to agree about the juridical and political aspects of the problems. We must recognize that. They did agree, however, on the need for early negotiations between the interested governments to establish a basis for the settlement of these differences. It was stated in the communiqué that through such negotiations the foundations for a stable system of European security could be created.

It was agreed that a further study could usefully be made of the possibilities of increasing security by some method—this was in the communiqué, and I read this carefully—of limitation of forces and weapons, both conventional and nuclear, in an agreed area of Europe, coupled with an appropriate system of inspection.

The prime ministers, Mr. Macmillan and Mr. Khrushchev, endorsed the principle that differences between nations should be resolved through negotiation and not through the use of force. It is doubtful, of course, if force would provide any adequate solution in any circumstances.

They did mention, according to the communiqué, and they did discuss the importance of advancing toward a solution of the problem of disarmament, and the desirability, particularly, of achieving agreement on the stopping of nuclear weapons testing under an effective system of international inspection and control.

On February 26 I was bound to report to the house that there had been a slowing up—and that is an understatement—of negotiations in Geneva with respect to the cessation of nuclear tests. There is to be found in this communiqué some hope that Mr. Khrushchev might take some direct interest in that matter with a view to reaching agreement.

On his return to London, Mr. Macmillan informed the House of Commons that the main purpose of his visit had been to seek a better appreciation and realization of each other's views. He did stress, however, in his report to the House of Commons last week, the gravity of the situation and the vital character of the issues at stake. Mr. Macmillan referred to the possibility that had been raised by Mr. Khrushchev of negotiating a non-aggression pact. There was no negotiation about a non-aggression pact, but Mr. Macmillan did state that the United Kingdom was willing to agree to a declaration in this sense and in the terms of non-aggression. It was stated by Mr. Macmillan in his report to the house that this matter would be subject for further discussions between the two governments. I recall on Thursday last Mr. Herridge asked for comments on the results of Mr. Macmillan's visit. I hope—and I have gone into this at great length—I have answered the questions and that I have covered the points which Mr. Herridge had in mind. I would say this, that if we are closer to agreement on the basis of a meeting between the East and the West it is in large measure—and comments from any source which would discount it leave me cold—due to the wisdom and strength which Mr. Macmillan showed in the visit which he and Mr. Lloyd made to the Soviet Union.

Mr. HERRIDGE: Hear, hear.

Mr. SMITH (*Hastings-Frontenac*): I am not going into the social or political events, but I make this statement very clearly. Mr. Macmillan has demonstrated again his dedication to our common purpose and he has evinced a strength which we knew he had and that was shown when he refused to be put off by discouraging circumstances.

Mr. Macmillan will be in Paris and in Bonn this week and he will come to Ottawa on Wednesday the 18th. We are awaiting his visit to learn something more about the discussions in Moscow and about his endeavours to explore the situation with General De Gaulle and Dr. Adenauer. That will be most useful to us. I am not suggesting for a moment that we have been bereft of ideas; indeed I advance the contrary as a statement of fact. Canada has not been bereft of ideas. We have advanced ideas. I indicated in my speech in the House one which had to do with withdrawal of forces and I said there was a long catalogue in that respect. Our proposals advanced to our Ambassador to NATO have been seriously considered, and they are under consideration.

Out of our discussions with Mr. Macmillan and with Foreign Secretary Mr. Selwyn Lloyd we can test some of the views which have been put forward, having in mind the necessity for consultation which has been evidenced in practice during the past months; and perhaps with the NATO powers we can produce positive proposals on the part of the west which will gain the support not only of our NATO partners but also command the support of the opinions of our people, and indeed of world opinion.

May I say this, and I reiterate or echo something I said, I think, in my first appearance before this committee in 1957. We must be positive; we must not leave it to the U.S.S.R. to always have us on the run with proposal after proposal when it appears they are the only people who are thinking, according to their propaganda, about world peace. I think it would be useful if while remaining firm on the Berlin situation we were not always to say "no". While remaining firm could we not in the west sometimes say "yes, provided that" instead of always or frequently saying "no, unless". It might well be without sacrificing our strength that that would be of great use when we approach negotiations.

Now I wish to speak on the Soviet note. Since the debate in the house on February 26 we have received a reply—the western powers have received a reply—to the note sent in response to the Russian note of January 10. We have received a reply to the Canadian note of February 17. I will be happy to table this note when the translation has been checked against the Russian language original. There is nothing of significance in the note to Canada that is not also to be found in the notes to the United Kingdom, the United States and France.

Discussions, as I intimated earlier, are now going on in respect of a reply to that note on the part of the western powers. The preparation of this will be greatly assisted by the consultations which are now taking place in NATO and in various capitals, and particularly also by the visits of Mr. Macmillan to Paris, Bonn, Ottawa and Washington.

The note of March 2 reaffirms the necessity of a peace treaty for Germany and the need for this treaty to prohibit German militarism. It asserts that such a treaty will mean the settlement of the Berlin situation, and it insists that the reunification of Germany must be left to the two German states. It warns that any attempt by the western powers to maintain access to West Berlin by force will be opposed by force and will lead to war.

The note argues that the U.S.S.R. wishes to have a settlement of the Berlin question which is acceptable to all concerned. It calls for a summit meeting of the four powers with Poland, Czechoslovakia and East and West Germany represented at that meeting to discuss a peace treaty and a change in the status of Berlin as prescribed by the U.S.S.R. It asserts that a summit meeting could consider a wider agenda including European security, disarmament, mutual withdrawal of troops, a zone of disengagement and an atom-free zone, the reduction of troops on foreign territory, the prohibition of nuclear weapons, and the banning of nuclear tests.

The decisions on a peace treaty reached at such a meeting should then be referred to a peace conference as was contemplated by the note from the U.S.S.R. on January 10. The note asserts that the Soviet government thinks that a summit meeting would be more likely to succeed than a meeting at any other level, but it states—and this is not without significance—that the U.S.S.R. is prepared to accept a foreign ministers' meeting to discuss Soviet proposals for a German peace treaty and Berlin, which is a more restricted agenda than they seemed to contemplate for a meeting at the summit.

The note states that: if the four powers are not yet ready for a summit meeting, the Soviet Government would be willing to attend a foreign ministers' meeting, but the note stipulates that attendance at a meeting of the foreign ministers should be identical with that of their projected summit meeting—that is the four powers, East and West Germany, Poland and Czechoslovakia. They did suggest a meeting of the foreign ministers for April and they also agreed to the western proposal that it should be held either in Vienna or in Geneva.

The latter Soviet note is, of course, to be assessed against the background of Soviet policy as regards Germany, as it has emerged since the end of the second world war. This policy has had two elements.

First, the U.S.S.R. has steadily endeavoured to build up a Communist state in the Soviet zone of Germany and has integrated East Germany politically, economically and militarily with the Soviet bloc. In 1948 it sought to expel the western allies from Berlin. Since then it has accepted specific commitments to assure the normal functioning of transport and communications between Berlin and Western Germany. We must keep that in mind.

Second, the U.S.S.R. argue that a peace treaty with East Germany and with West Germany must first be concluded. That peace treaty must provide for a de-militarization and neutralization of the whole of Germany. The reunification of Germany then must precede the election of an all-German government and must be achieved through direct negotiations between the two halves of Germany; reunification must permit the continued existence of a Communist state in Eastern Germany.

In presenting this position, the Soviet Union has maintained an attack on the rearmament of Western Germany and has warned that this would delay reunification and that the provision of nuclear weapons to West Germany would prevent reunification.

That, as I see it, is the present position of the U.S.S.R. in respect of East Germany. Yet I conclude by saying that they are ready to discuss and negotiate the situation.

Mr. HERRIDGE: Mr. Chairman, I would like to ask a few questions. Unfortunately I have to leave for another committee in a few minutes.

I thank the minister very much for his exhaustive review of Mr. Macmillan's visit. My question is this: regardless of the early, rather disconcerting, press reports with respect to that visit, I understand it has been much more fruitful than those early press reports indicated.

Mr. SMTH (*Hastings-Frontenac*): Yes.

Mr. HERRIDGE: From reading the press reports I am of the opinion that Mr. Macmillan has just the right personality to deal with a person like Khrushchev under those circumstances.

Mr. SMITH (*Hastings-Frontenac*): Well, the press reporters were faced with the situation midway through the visit, when Mr. Khrushchev went out and made a political speech.

Mr. HERRIDGE: Yes.

Mr. SMITH (*Hastings-Frontenac*): I would say that the soundness and the fortitude of Mr. Macmillan through what I have called "trying circumstances" was a factor which made for the success of his visit in terms of reconnaissance.

Mr. HERRIDGE: I think it deserves our admiration.

Mr. PEARSON: The minister's statement has of course raised a great many subjects on which I think some members of the committee—perhaps all the members of the committee—would like to question him. I certainly would.

I hope there will be an opportunity at a subsequent meeting for the kind of questioning that we have in mind and after a chance to study what the minister has said, which is not provided at the moment. However, there are some things which occurred to me at once in connection with his statement. Perhaps I might mention one or two of those things in a preliminary way.

The minister has indicated the difficulties he has been under in giving us the details about the diplomatic negotiations which are in progress.

Of course, I think we all appreciate that. I do not think anyone could expect negotiations of the kind that are now going on inside NATO to be published. That is a kind of confidential diplomacy which I think is required in the present circumstances.

Nevertheless, there are two reservations about confidential diplomacy which I venture to make when I talk about that sort of thing: one is that the

principles, the basic policy. The basic policy should be made public so that we may know the basis on which negotiations are being conducted.

Mr. PEARSON: The other is that there should be no commitments made which are binding on parliament and the people.

Subject then to those considerations, I would like to ask the minister a question or two based on his statement. If we accepted the position as he outlined it—and I think quite accurately—that has been laid down by Mr. Khrushchev for solution of the problem of Berlin and the related problems of Germany, there would not be, of course, any likelihood of a settlement.

Perhaps we do not have to accept all of Mr. Khrushchev's statements literally, especially as they seem to change in emphasis from day to day as his methods of diplomacy seem to change from day to day.

It is hard to understand them. I agree with Mr. Herridge that Mr. Macmillan, who is the latest victim—he was not exactly a victim—the latest subject of those methods, conducted himself in a manner which certainly deserves—and I know it secures—all our admiration.

Khrushchev seems to be one of those people who knock you down, then pours mercurochrome over your wound, gives you a drink and helps you up; and when you begin to feel that he is not so bad after all, he knocks you down again. So you are in a continual state of bewilderment as to his attitude.

However, he has made it perfectly clear that there are certain things, as a basis of Russian policy in respect to Germany, which would be difficult for the west to accept.

The minister has said that our policy must be based upon firmness, and that has been repeated by other western leaders. I think we all agree. But of course firmness is not a policy in itself. Firmness is perhaps a posture upon which a policy should be based; but it is not policy.

Mr. SMITH (*Hastings-Frontenac*): I suggested it was a policy as far as West Berlin is concerned.

Mr. PEARSON: In one sense, perhaps, it is a policy there, but I still think that firmness alone, while it may be essential, would not provide a solution. It may bring about a situation where proposals can be made and which will have some possibility of acceptance.

In connection with policies that could be based on firmness, there are two things on which I think we should get some enlightenment, both as to Canadian policy and as to western policy. I mention them because they have been discussed in Washington and have been discussed in London. In fact, there are more than two things.

One is: are we willing to accept even as a basis of negotiation in the discussions which will have to take place, the Soviet theory which has been reiterated by Khrushchev, that of the two Germanys, one of them must be communist? He has said that again within the last two or three days.

Mr. SMITH (*Hastings-Frontenac*): Yes, at Leipzig.

Mr. PEARSON: That is one point. A second, as a basis for any negotiation on the unification of Germany do we insist on a free elections, or can we, as Mr. Dulles pointed out a month or so ago, accept perhaps some other method?

The other question—I have a lot of others—but perhaps I may put this one forward at this time: Mr. Khrushchev has also said that by May 27th—he qualified that as the minister pointed out, by saying it might be at some later date, provided negotiations are going on satisfactorily by May 27th—but at some date the Soviets are going to turn over control of the access to Berlin to the East German government.

That represents perhaps an important change. I wonder if that is acceptable policy as a solution, and that after that has been done, whether the Canadian government feel that the East German government, acting as an agent of

the Soviet Union, or in some other capacity, will be the authority with which we can deal in this matter? And if we do not accept that, what is to be the situation then?

Mr. SMITH (*Hastings-Frontenac*): With respect to the first question from Mr. Pearson: I would reaffirm what I said at the last meeting of the committee, which was really the first meeting, and what I said in the house: firmness with respect to the West Berlin situation, but flexibility and a continuous offer to negotiate.

Those are not incompatible ideas. Now, having emphasized that, I put it this way, that Canada is among those who advocate a balance between those two viewpoints.

With respect to East Germany as a communist state, I shall try to be very frank with the committee. We face the fact that as recently as the speech made in Leipzig last week, as the Leader of the Opposition said, Mr. Khrushchev showed that his attitude varies from time to time and indeed from place to place.

The West German government wants to have reunification. They want to see Berlin as the capital of a reunified Germany.

The western powers have recognized the viewpoint of the U.S.S.R. in terms of European security. They have said—I think in 1955, it was Mr. Selwyn Lloyd who said as much in the House of Commons—and I think last year Dr. Adenauer recognized that Soviet concern about a reunified Germany fully armed in the middle of Europe.

All these leaders of the western powers stated that a reunified Germany, a free Germany, would not be used as a base for military operations or military installations. They would not go beyond the line—the eastward line of West Germany.

I do not know; I do not dare to guess what the solution of the reunification of Germany would be, or when it will come about. I do know the statement made by Mr. Dulles in a press conference to the effect that free elections which were agreed to by the U.S.S.R. in Geneva in 1955—and we welcome the statement that Mr. Dulles made—need not precede some degree of reunification.

I do not believe we are going to see very soon, or all at once, a reunification of Germany. Certainly the Canadian situation is this, briefly, that we would like to discuss this problem, and it has been discussed in some measure in the NATO council.

Could we come to an understanding, an agreement whereby the reunification of Germany would be a gradual matter, a gradual process?

In respect of Western Germany, and with respect to separating what they might think pre-eminently to be the two parts of Germany, I know their intense desire to bring about reunification of their country. So I come back and say that the matter, in terms of gradual steps being taken for reunification should be seriously considered.

Now, with respect to the access to West Berlin by road, by rail, by air, or by canal, I can say juridically, they are assured to us. I attempted to point out that it does not solve the problem as we find it at the present time.

The concept of the East Germans serving as agents of the U.S.S.R. does not disturb me. Over the week-end there were press reports to the effect that Mr. Grotewohl of East Germany said if and when they take over they will exercise this power of supervision of traffic, for example, on the autobahn, with great care, and with generosity. I would like to see what the guarantees are for that.

I am bound to say this, Mr. Chairman, that I have grave concern about using force in respect of the matter of who stamps the travel document.

Mr. PEARSON: I think everybody shares the minister's concern in respect of the use of force, because one form of force might lead to another and we

would be in trouble But if this change to another authority—an East German authority—takes place, and if it is not recognized by all the NATO powers, especially those with special responsibilities in Berlin, and they try to supply Berlin and their forces in Berlin as they have been doing in the past under rights guaranteed to them, and if they refuse to recognize the formalities insisted upon by the new authorities, then I do not see how they can avoid the use of force in some form.

Mr. SMITH (*Hastings-Frontenac*): I have my hope in consultations. I share your sentiments entirely, Mr. Pearson.

Mr. JONES: I was most interested to hear the comments of the minister in respect of the gradual reunification. One of the problems we are told is the maintenance of West Berlin, the reception hall of freedom for the many thousands upon thousands of Germans who would like to escape the Communist yoke.

Mr. SMITH (*Hastings-Frontenac*): About 200,000 a year.

Mr. JONES: I suppose the position of the Russians has a wider purpose, including perhaps the purpose of establishing control within the East German area, in order that the Communists may have a front behind which to work. This would give them a somewhat great manoeuvrability in respect of diplomatic exchanges over the whole reunification problem, as well as assistance in provoking these crises which come up from time to time in their offences against the West.

I am wondering if you would care at this time to elaborate on your thoughts in connection with gradual reunification.

Mr. SMITH (*Hastings-Frontenac*): Well, I would start right in the city of Berlin as a whole to increase the participation in common services by East and West Berlin. I am not free to report in full on my conversations with Mayor Willy Brandt, but I do think it would be possible to do more with respect to Berlin services. Indeed, I am free to report that Mr. Willy Brandt said that inter-governmental cooperation and collaboration could be increased. He did say that a few years ago the only thing which bound East and West Berlin together was a common sewer. That is one thing.

I think we should look at the draft treaty advanced by the U.S.S.R. My own view is it is framed and drafted to the end that the communist powers would extend westward. I admit our deep anxiety in respect of West Berlin, but I am thinking of the whole of Germany when I say that. That treaty suggests a loose type of confederation. Is there anything possible that would safeguard West Germany from communist infiltration in that particular situation?

Mr. JONES: Would it be going too far at this time to say you had something in mind such as a phased reunification?

Mr. SMITH (*Hastings-Frontenac*): Gradual or phased? I would accept phased. Yes, there are other possibilities which have been mentioned in the past of which we are not unaware. I saw a suggestion some time ago about a four-power commission to deal with the German problem. We did have at one time a four-power control commission, or something which could be designated in that way. It broke down. Could that be looked at—and I am putting it as a question—in terms of keeping the whole German question within the context of a four-power commission? That commission might also watch over the observance of any agreement which might be reached at these meetings.

There has been mention of the participation of NATO in respect of Berlin itself. The question which occurs to me—I do not state it negatively or positively—is that, while there is a promise of a meeting of foreign ministers,

and eventually a meeting at the summit, has the U.N. a role at this particular time when we may be getting together the two sides concerned? I only express the hope that if there is a role for the United Nations it will not be presented to the United Nations when there is a deadlock so that it will be thrown on Mr. Hammarskjöld's table, with someone saying to him "Now, you solve it."

Mr. PEARSON: Would it not also be desirable, if there is a role for the United Nations, that it should not be presented to that body by one of the four powers with special responsibilities in Germany, but rather by some other power which would take this responsibility.

Mr. SMITH (*Hastings-Frontenac*): Frankly, I would hate to do that in this context.

Mr. PEARSON: I am not suggesting it should be presented now by Canada; but if the time comes, as the minister knows, presentations of proposals by delegations who are not acceptable to certain members of the United Nations sometimes prejudice those proposals. I am thinking of the United Nations emergency force.

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. JONES: I think in that respect, Mr. Chairman, it would be very necessary to avoid attempting to pressure the powers concerned through the United Nations when in actual fact they will not yield to pressure. It seems to me it involves a dispute in conflict, unless it is proceeded with with utmost care and with satisfactory arrangements with those involved. It might cause disharmony rather than achieve a solution.

Mr. SMITH (*Hastings-Frontenac*): It is a method of approach.

Mr. CRESTOHL: You spoke of an air corridor between West Berlin and the western powers. Is there no other corridor which is uncontrolled between the western powers and west Berlin?

Mr. SMITH (*Hastings-Frontenac*): I have the map here. The roadways are prescribed in detail in the early agreements. There are the roadways, the canal system and the commercial airlines. If we are insisting on the agreement, we are tied also with respect to the routes of access and exit.

Mr. CRESTOHL: As I understood you, you mentioned the autobahn. That is what you are referring to?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. CRESTOHL: And that is controlled?

Mr. SMITH (*Hastings-Frontenac*): Yes.

Mr. CRESTOHL: The air corridor is not controlled?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. CRESTOHL: Have there been any negotiations at any time with a view to obtaining an uncontrolled means of access to West Berlin, other than through this air corridor?

Mr. SMITH (*Hastings-Frontenac*): No, I am informed that there have not been. I could not answer it categorically myself with respect to the roadway. In respect of the commercial lines there has not been any inspection. Indeed, that is how the refugees get out. They travel by air from West Berlin to West Germany. Of course, I am speaking in juridical or legalistic terms. What the Russians endeavoured to do in 1948 was to jam the airways.

Mr. SMITH (*Calgary South*): Has there been any jamming of the airways, even on a spasmodic basis, in the last year or so?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. PEARSON: Is it not true that if the Russians had wished to take action to make the air navigation impossible in that corridor the airlift could not have been conducted?

Mr. SMITH (*Hastings-Frontenac*): They were not successful in 1948.

Mr. PEARSON: They did not attempt to do it in 1948?

Mr. SMITH (*Hastings-Frontenac*): No.

Mr. PEARSON: At the last meeting of the NATO council—and I do not have the actual statement before me—there was a reference to the desirability of negotiation of the Berlin difficulty within the framework—and I do not have it exactly—of German negotiations. The two were tied up and in a way which almost invited proposals.

Now, since that time, is it not true that all proposals that have been made in regard to Berlin and Germany have been made by the Soviets, and that while we have answered Soviet notes—there have been two or three since then—we have not, on the western side, put forward any proposals which would require the kind of answer from the Soviets that we continuously make to them.

Has the time not come that the West, before the conference begins, should put forward some proposals of its own, both in regard to Berlin and in regard to the German problem generally? Can that not be done when projecting our position of firmness in the maintenance of our rights?

Mr. SMITH (*Hastings-Frontenac*): The replies to the Soviet notes of November 27, which the three occupying powers sent on December 31, did not deal very much in substance. They disputed certain historical claims that were made.

The replies—and I include that of Canada in this group—to the U.S.S.R. note of January 10, frankly purported to say, without going into substance: let us sit down and talk about this; let us put forward our views at a conference.

Frankly, that was a situation which you might say was a matter of procedure.

Certainly, Mr. Chairman, the time has come now when we must do something positive. With respect to the idea of a four-power commission—it is proposed that both East and West Germany would be represented by experts on such a commission—I am thinking of the evolution of the deliberations of a four-power commission on Austria which resulted in the Austrian treaty which we hope parliament will decide to accept. These suggestions actually came out of Bonn some weeks ago.

Mr. PEARSON: If that is true, is not that recommendation a recognition by the federal republic that there are two Germanys?

Mr. SMITH (*Hastings-Frontenac*): Not necessarily. It is proposed in the reply of February 16 that they would sit in with the occupying powers as advisers, that is East Germany and West Germany; and that would not be in itself—I insist it would not be a firm recognition of this state.

Mr. PEARSON: How could the communist part of Germany be expected to accept a four power commission which recognizes formally, officially, and diplomatically, that one part of Germany, did not recognize the other part in the same forum?

Mr. SMITH (*Hastings-Frontenac*): I do not see any problem there.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: I shall offer some questions; or perhaps I should offer them at a subsequent meeting when we have had a chance to think over what the minister has said, because very important questions have been brought up this morning.

Mr. SMITH (*Hastings-Frontenac*): With respect to the question about Rapacki asked the other day of Mr. Diefenbaker in the house, I tabled last August in this committee the note that we had from the Polish government with respect to this matter and also our reply.

I invited an examination of the reply we gave to the note we had received from the foreign minister, Mr. Adam Rapacki of Poland. In that note we indicated after consultation in NATO, that this was unacceptable; that the plan as first put forward on February 14, 1958, was unacceptable.

I have not looked at it recently, but we did express our appreciation of the initiative of the Polish government putting forward this plan, and indeed we welcomed it; and in that note, in effect, we invited the Polish government to re-examine the proposal.

The Polish government did that in fact, and I can state that I had two discussions with Mr. Adam Rapacki last autumn while I was at the United Nations, during which I endeavoured to indicate our objections to the plan. The plan would call for the prohibition of nuclear weapons in certain areas—East and West Germany, Poland, and Czechoslovakia.

Having regard to the strong conventional arms of the East, the implementation of this plan would leave the West at a disadvantage. I have heard many speculations of the comparative strength of the conventional forces of Communists—east of the zonal boundary. But certainly, they would dominate the situation as compared with the conventional forces of the West.

Mr. Rapacki went to Oslo in November of last year and I know he discussed the matter with the Norwegian foreign minister, Mr. Lange, and others in Norway.

The Polish foreign minister, Mr. Rapacki gave the press an interview shortly after that, and he presented a revised version of his earlier proposal. In this Mr. Rapacki proposed a plan encompassing, two stages: the first involved the freezing of nuclear weapons at the existing level; the second would see a gradual reduction of the conventional forces.

It has been our purpose, to see whether there is anything in this proposal; and it has been under consideration by the NATO council. It is now being studied collectively by the member governments of NATO.

As yet it is difficult to ascertain the relationship of the recent proposal to decisions and statements that have come out of the United Nations, but this aspect is now being studied.

Mr. PEARSON: Now that the NATO council is discussing the Rapacki plan or some modification of it as a possible basis of negotiation, why was it that the NATO council at its Copenhagen meeting pretty clearly dismissed that plan without qualification?

Mr. SMITH (*Hastings-Frontenac*): The notes in reply were delivered in July 1958 after the consultations in the NATO council which continued after the Copenhagen meeting. I want to get the timing correct.

Mr. PEARSON: Was there not a reference to NATO in the Copenhagen discussion of the Rapacki plan?

Mr. SMITH (*Hastings-Frontenac*): I do not recall that there was, because they had not discussed it in the NATO council before. I remember that very clearly. That was in May, and the revised proposal came forward in November of last year, which was later.

Mr. PEARSON: Does a discussion going on at NATO of these plans now indicate that the council itself is not opposed to disengagement in principle?

Mr. SMITH (*Hastings-Frontenac*): That is an inference I refuse to admit. It is not without significance that this was one of the matters which was mentioned in the communique by Mr. Macmillan and Mr. Khrushchev. Mr.

Macmillan was pressed in the House of Commons on Saturday, as reported, and he said: this is a matter for consultation. But it is not without significance that this was mentioned.

The CHAIRMAN: Are there any further questions?

Mr. PEARSON: Would the minister like to express his views on the idea of disengagement in some form or other as a possible move towards greater security in Europe?

Mr. SMITH (*Hastings-Frontenac*): We would not have been following as much as we have, if we were not interested in some proposal of that kind. If Mr. Pearson is trying to pin me down to any specific proposal I refuse to bite.

Mr. PEARSON: No, I am not trying to do that. This is one of the subjects which perhaps the committee should discuss. I was simply asking whether the idea of disengagement in some form or other had not been dismissed by the Canadian government.

Mr. SMITH (*Hastings-Frontenac*): It has not. Indeed, I do not recall—I was out of Canada at the time—but the Prime Minister, I think it was, in Bonn in a press interview indicated the continuing interest of Canada in that regard, subject only to a plan which would not be disadvantageous to the West, and to a plan which would be mutually advantageous to the East and the West, because that is the kind of agreement that sticks.

Mr. PEARSON: I wonder further if the minister would agree if we might have a discussion on that.

Mr. SMITH (*Hastings-Frontenac*): I am anxious to get ideas.

Mr. PEARSON: And to give ideas.

Mr. SMITH (*Hastings-Frontenac*): And to get ideas. I have been giving ideas all the morning, and I have not shown any disinclination to do so.

Mr. FAIRFIELD: I have been wondering about the Rapacki plan of disengagement. Why not have a Rapacki plan in reverse, and have forces from the east in Western Germany, and forces from Western Germany in the east on a quid pro quo basis as conventional forces?

Mr. SMITH (*Hastings-Frontenac*): That is a desideratum to be prayed for. But the Russians have indicated that they do not want inspection teams with respect to cessation of nuclear weapons tests in their territory, because they might turn out to be intelligence officers.

The CHAIRMAN: Are there any further questions?

I think the committee have welcomed the frank and full report which the minister has given to us this morning.

It has also been indicated that at a later date, when the members have had an opportunity to study the evidence given this morning, the minister would be prepared to meet this committee again and to discuss Berlin and other situations.

We are all aware of the changes from day to day, and of the various statements issued by the interested governments and others; consequently I think the questioning this morning has been fairly complete. The minister is quite prepared to appear again before the committee. But he tells me that he would not be able to be here at our next meeting which will be on Thursday from 9 a.m. to 11 a.m.

Mr. SMITH (*Hastings-Frontenac*): I think it would be useful, sir, if I may just make this suggestion as a witness, that before we take up some of these matters again it would be helpful if the members of the committee had the background. I could not disclose any of the discussions but I might be able to give you the background of the visit of Mr. Macmillan.

The CHAIRMAN: That would certainly meet with the approval of the committee.

Mr. CRESTOHL: Then may I suggest we do not hold our next meeting until we have the reproduction of the evidence and the statements the minister gave us this morning so that we will have at least twenty-four hours in which to examine the report?

The CHAIRMAN: I think that is likely what will happen.

While we are discussing the Rapacki plan, if you wish to refresh your memory; on Monday, August 4, 1958, the text was published in the Evidence and Proceedings of the External Affairs Committee.

We will continue on until twelve o'clock with the estimates, and Mr. Norman Robertson, Under-Secretary of State for External Affairs, will give his report on item 76 the general administration of the Department—unless it is the wish of the committee that we now adjourn.

Mr. SMITH (*Hastings-Frontenac*): For the assistance of the committee we had in mind that we would distribute the report so that the members of the committee would have an opportunity of examining it before Mr. Robertson spoke.

Mr. NORMAN ROBERTSON (*Under-Secretary of State for External Affairs*): Perhaps we might send a copy of it to the individual members this afternoon.

Mr. JONES: That would be very helpful.

The CHAIRMAN: It has been suggested that Mr. Robertson's statement be distributed to the members of the committee and then, having had an opportunity to study it, Mr. Robertson would be prepared to meet us at the next meeting on Thursday. We might now adjourn if that meets with the approval of the committee.

Agreed.

Canada, External Affairs, Standing Committee, 1959

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, MARCH 12, 1959

ESTIMATES OF THE DEPARTMENT OF
EXTERNAL AFFAIRS—1959-60

WITNESSES:

Mr. N. A. Robertson, Under-Secretary of State for External Affairs, assisted by Messrs. R. M. Macdonnell, Deputy Under-Secretary; W. D. Matthews, Assistant Under-Secretary; and H. F. Clark, Director, Finance Division.

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

and Messrs.

Aitken (Miss),	Jones,	Montgomery,
Allard,	Jung,	Nesbitt,
Argue,	Kucherepa,	Nugent,
Cardin,	Lafrenière,	Pearson,
Crestohl,	Lennard,	Pratt,
Dinsdale,	MacLellan,	Richard (<i>Ottawa East</i>),
Dorion,	Macnaughton,	Smith (<i>Calgary South</i>),
Eudes,	Macquarrie,	Stinson,
Fairfield,	Mandziuk,	Valade,
Garland,	Martin (<i>Essex East</i>),	Vivian.
Hellyer,	McCleave,	
Herridge,	McGee,	

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, March 12, 1959.

The Standing Committee on External Affairs met at 9:10 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Miss Aitken, Messrs. Crestohl, Dinsdale, Dorion, Fairfield, Hellyer, Herridge, Kucherepa, Lafrenière, Lennard, Mandziuk, Martin (*Essex East*), McGee, Montgomery, Nesbitt, Nugent, Pearson, Pratt, Richard (*Ottawa East*), Smith (*Calgary South*), Stinson, Vivian, and White. (23)

In attendance: Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; W. D. Matthews, Assistant Under-Secretary of State for External Affairs; H. F. Clark, Director, Finance Division; J. H. Taylor, Executive Assistant to Under-Secretary of State for External Affairs.

The Chairman observed the presence of quorum and after calling for further consideration, Item 76—General Administration, introduced Mr. Robertson.

The Under-Secretary spoke briefly of the role of the Department of External Affairs referring to a document entitled "Organization and Administration of the Department", copies of which were distributed to members of the Committee on Monday, March 9, 1959.

Following Mr. Robertson's questioning, Item 76 was allowed to stand.

The following items were separately called and after further questioning of Mr. Robertson, assisted by Messrs. Macdonnell, Matthews and Clark, were adopted:

- Item 77—Representation Abroad—Operational;
- Item 78—Representation Abroad—Capital;
- Item 79—Official Hospitality;
- Item 80—Relief and Repatriation of Distressed Canadians;
- Item 81—Representation of International Conferences;
- Item 82—Grant to the United Nations Association in Canada;
- Item 83—Grant to the International Committee of the Red Cross;
- Item 84—Grant to the Canadian Atlantic Co-ordinating Committee;
- Item 85—Assessment in International Organizations;
- Item 86—Contribution to United Nations Expanded Program for Technical Assistance;

Agreed:—That two documents produced by the Under-Secretary and entitled "Organization and Administration of the Department" and "Department of External Affairs Main Estimates 1959-60 compared with 1958-59", be printed as appendices to this day's proceedings.

At 10.50 a.m. the Committee adjourned to meet again at 10.30 a.m., Monday, March 16, 1959.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

THURSDAY, March 12, 1959.

9:00 a.m.

The CHAIRMAN: If you will come to order, gentlemen, we will proceed with the work of the committee.

I mentioned at the previous meeting that we would have with us, Mr. Norman Robertson, the Under-Secretary of State for External Affairs. He circulated a statement which outlines in detail the various divisions and indicates how they are broken down. As I understand it, Mr. Robertson will make a short statement as well, and then we may have questions dealing with the administration.

Mr. N. A. ROBERTSON (*Under-Secretary of State for External Affairs*): Mr. Chairman, I do not really propose to supplement very much the information which has been circulated to the committee. I think the general exposition of departmental policies was introduced by the minister, and I think will be resumed by him. It was his hope that I, with the assistance of colleagues who are here, would be able to supply background information and explanations of the actual organization and work procedures of the department in Ottawa, and of the offices abroad.

I wonder if as a beginning there are any questions arising out of this first summary paper? I may say, in the ordinary course, it will be published as an annex to the annual report of the department. External Affairs has always endeavoured to get in its annual report for the completed calendar year, bringing it up to December 31, 1958, and that means that the report itself is not ready for you today; I had hoped as a convenience that the full annual report instead of just this appendix might have been ready when the Committee started its work. I am in your hands.

The CHAIRMAN: Gentlemen, what are the questions you wish to ask in respect of this explanation which has been circulated on the remarks of the Under-Secretary?

Mr. MARTIN (*Essex East*): Do you wish us, Mr. Chairman, to ask questions based only on this sheet of paper, and do you wish us to withhold until later questions not relating to this statement?

The CHAIRMAN: I would think any questions other than those relating to policy would be in order now.

Mr. MARTIN (*Essex East*): I would be very interested in asking Mr. Robertson if he feels he can, under the circumstances, appropriately give us what information is available in respect of the current events in Iraq?

Mr. ROBERTSON: I came straight to the House this morning and I have not seen the night's telegrams. However, information available up to last night made it pretty plain that the uprising under Colonel Shawwaf in Mosul had been suppressed and that President Qasim and his forces appeared to be in complete control of the country.

Mr. MARTIN (*Essex East*): Are there any Canadians in Iraq?

Mr. ROBERTSON: We have a list of 41.

Mr. MARTIN (*Essex East*): I understand the United States authorities are taking some steps towards moving Americans out, or are giving them the facilities for leaving. Is the situation there that serious, and are we taking steps of that kind?

Mr. ROBERTSON: I think our plans for this type of contingency in Iraq are most closely associated with those of the United Kingdom. We have had the help and the cooperation of both countries in different areas where evacuation has been necessary. I think in Iraq it would be done with the United Kingdom. I believe there have probably been preparatory steps taken on both sides, but it did not seem necessary to put anything in motion yesterday.

Mr. MARTIN (*Essex East*): This might be the type of question you cannot answer, and I will understand right away if you say so. I have made the suggestion recently, largely as a result of my visit to Iraq in September that, in view of what seemed to me as obvious events there, we might give consideration to the establishment of a diplomatic mission in Bagdad. Are you in a position to comment as to whether or not consideration is being given to the desirability of this?

Mr. ROBERTSON: Only in a general and a preliminary way. As you know, in the last three or four years we have been trying to strengthen and extend Canadian diplomatic representation in middle eastern countries. We now have ambassadors in the Lebanon and in Israel, where we had formerly been represented by a charge d'affaires, with the Lebanon linked with our representation in Egypt and Israel with representation in Greece. Now those are both separate embassies. For the last six weeks, we have had a full Canadian minister in Tehran. I would certainly agree with you it would have been useful, from the point of view of obtaining political information, to have had somebody in Iraq as well. The rate of progress is limited not only by funds but also by availability of personnel. If you go back ten years when there was really not a beginning of a middle eastern division in the department, it seems to me the expansion in that area has been quite sizable. However, I certainly would not wish to say that further expansion is not required.

Mr. CRESTOHL: Do we do much trading with Iraq?

Mr. ROBERTSON: Not a great deal. Iraq has been and is, I suppose, potentially the wealthiest of the Arab countries in the Middle East. It is a sterling area country and its principal trade in the western world has been with the United Kingdom.

I think an analysis of the trade prospects for Canada was quite a factor in the decision to open the next mission in Iran rather than in Iraq.

Mr. MARTIN (*Essex East*): Would you agree that commercial interests are not necessarily, particularly in view of the present tense circumstances, the basis for establishment of a diplomatic mission?

Mr. ROBERTSON: No; but in an area where there is a real interest in both, the fact that there happens to be a little more opportunity for Canadian trade in one country than in the other, might be the determining factor in deciding where to open a mission.

Mr. MARTIN (*Essex East*): Would you not agree that countries like Western Germany are now extending their commercial relations with the Middle East to a very surprising extent, and it may be that if there is a political reason in the best sense for establishment of a diplomatic mission it could have a consequential commercial advantage?

In view of the increasing importance of various countries which have Arabic or associated cultures, and the possible necessity in the future of furthering diplomatic relations with them, do any of our departmental officers have the opportunity of learning Arabic?

Mr. ROBERTSON: We have had two young secretaries in the department posted to a year's course at a special training school for Arabists. I think this school was actually organized by the United Kingdom foreign service. From time to time I hope we will be able to continue sending promising people. It is a modest beginning but we were starting from scratch.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if Mr. Robertson would perhaps say a word regarding the embassy in Washington? I am thinking of the relationship, or perhaps better, the separation, between Trade and Commerce on the one hand and External Affairs on the other. What I am concerned about is whether or not you feel we are well enough staffed, keeping in mind the events of the past week in respect of the decision of the United States concerning the imposition of mandatory controls on oil and whether or not we are advised well in advance of the atmosphere in Washington on these subjects.

I recognize this is a question on trade, but I am wondering whether or not we are well enough informed in advance as to the sentiment which exists.

I am also interested in our representation in Venezuela. I understand that from time to time we do make representations to them on this subject. Could you say a word on those two points?

Mr. ROBERTSON: Yes. In the Washington embassy the representation of the different departments of government is really very closely integrated. In this field of oil it is not only a matter involving the Department of External Affairs and the Department of Trade and Commerce but there is in Washington also a representative of the Department of Defence Production who has most continuously and strenuously kept in touch with the United States departments concerned with oil policy and oil administration.

The problems are there, plain to see, and unresolved. However, I would not say there was any question of lack of contact or lack of understanding of the position either way. I think it is just a very large and difficult problem.

I am not quite sure what your question is concerning Venezuela.

Mr. SMITH (*Calgary South*): Could I put it this way; has this question been discussed and is it continuously under review by our representatives in view of the fact that the Venezuelan government exports about 270,000 barrels of oil per day? Do we carry on any reviews of their situation in relation to Canada?

Mr. ROBERTSON: I think the contacts, particularly in this field, have been close in the last year or two. They have an ambassador here who takes a very great interest in their export position. We have an ambassador in Caracas, formerly Mr. Bower and at present Mr. Couillard, and there is contact between their embassy in Washington and our embassy in Washington on this particular subject.

Mr. MARTIN (*Essex East*): I was going to suggest that perhaps we should clean up one subject at a time.

Mr. NESBITT: I have a question on the subject of representation. Has any thought been given to the opening of a Canadian consular service in the State of Florida, either in St. Petersburg or Miami?

Everyone knows that many hundreds of thousands of people spend their winters there, many of whom are elderly people, and sometimes difficulties arise because of death and sickness.

I know we have consulates at other places in the United States that do a very fine job. However, I am thinking it would possibly be a great service to individuals if some sort of similar service were set up in one of the major cities in Florida.

Mr. ROBERTSON: At the present time Florida is in the consular territory of our consul-general in New Orleans. He has, I must admit, a very large field extending from Texas to Florida.

Mr. NESBITT: You have not considered having a special one for Texas?

Mr. ROBERTSON: I was looking at the breakdown of costs by missions and I noticed our consular offices cost us an amount comparable to that of most embassies. In fact our New York consul-general's establishment is our third largest appropriation for an office; it follows London and Washington. So it is a very serious undertaking to open a new consulate.

Mr. HERRIDGE: There is a telegraph and telephone communication system between Florida and New York.

Mr. NESBITT: I realize Mr. Herridge comes from a part of the country where they are no doubt unfamiliar with the situation, but a great many people go to St. Petersburg in the winter, and there is a difficulty in respect of making funeral arrangements and that sort of thing.

I would not suggest that a consulate be established for that purpose, but there are other things. Of course there is a telephone between Florida and New York.

Mr. MARTIN (*Essex East*): In regard to the question Mr. Smith asked, I take it there are two types of representations which might be made by Canada to Washington; one by our diplomatic mission to the State Department and the other to the Secretary of State.

Mr. Smith told us in the House of Commons the other day that Canada protested the recent anticipated oil occurrence on February 19. That was done, I take it, by note from the Secretary of State for External Affairs to the Secretary of State in the United States.

Mr. ROBERTSON: I think what happened was that the Secretary of State for External Affairs instructed our charge d'affaires to deliver the government's views.

Mr. MARTIN (*Essex East*): That was prior to the request by the President on or about February 28 for an extension of time to give him the opportunity of considering the proposal for mandatory curbs. May I ask was any protest of any kind sent by Canada between February 19 and March 10?

Mr. SMITH (*Calgary South*): I suggest this was answered by the Prime Minister in the house yesterday.

Mr. ROBERTSON: Before I plunge, it would be of help to me to know just what was said in the House yesterday.

Mr. MARTIN (*Essex East*): I asked the Prime Minister whether or not a protest had been made after February 19, and I do not think the Prime Minister appreciated the full import of the question.

Mr. SMITH (*Calgary South*): I think he did, Mr. Chairman.

Mr. NESBITT: Mr. Chairman, I do not think this is a fair question to ask the under-secretary.

Mr. MARTIN (*Essex East*): He said the government was continually giving consideration to protesting undesirable acts affecting Canada on the part of other countries. My question is: was there any protest of any kind made—

Mr. NESBITT: I think this might be reserved until the minister returns.

Mr. MARTIN (*Essex East*): May I ask my question? I do not want to embarrass Mr. Robertson. If he does not wish to answer I will readily understand. I simply ask, does he know, as the permanent head of the department, whether a protest of any kind was made by Canada after February 19 on any level?

Mr. ROBERTSON: I would have to check the dates on the files. I do know that Canadian views on questions of interest have been put very fully and very continuously over a long time before the American government.

Mr. MARTIN (*Essex East*): That is clear. But my question was: in view of the request made by the President as to the recommendation for curbs, was there any protest of any kind or at any level made by the government of Canada to the government of the United States?

The CHAIRMAN: The under-secretary will take the question as notice and give you an answer later.

Mr. McGEE: I am wondering if the under-secretary might give us some information which other members perhaps might have, but which I do not have. It concerns the registration of lobbyists in Washington. It is my understanding lobbyists must be registered according to law in the United States.

Mr. ROBERTSON: Yes.

Mr. McGEE: I am wondering what is the extent of the Canadian lobby or lobbies in various fields.

The CHAIRMAN: In Washington?

Mr. McGEE: Yes.

Mr. ROBERTSON: I think that United States law requires that any agent or representative of any foreign government has to be registered. The Canadian lobby may be considered as being the Canadian embassy. The Canadian government does not, as a matter of practice, use the services of public relations firms or lobbyists at all in its dealings with the United States government.

Mr. McGEE: I appreciate that. I was asking for information which presumably would be available to the Department of External Affairs. Are you suggesting there are no Canadians registered as lobbyists in Washington?

Mr. ROBERTSON: No, I would certainly not like to leave that impression. But at the same time I do not like to attempt to answer the question. I am not quite sure, for instance, what the legal position is under this United States law. Quite a few Canadian companies have representatives in the United States. Whether, in fact, they are required to register under this law I would not be able to say without looking into it. The same thing might apply in respect to the various trade representatives who are often interested in what has happened.

Mr. McGEE: Presumably, if there is a law requiring registration, there will be a registry somewhere.

Mr. ROBERTSON: Yes. I think it is maintained by the United States Department of Justice. I think any American public relations, advertising or promotional firm which takes a brief from a foreign government or a foreign interest has to disclose its interest, and register.

Mr. McGEE: Is it proper to request that this information be made available to the committee?

The CHAIRMAN: I would think so.

Mr. ROBERTSON: We can ask our embassy in Washington to find out.

Mr. CRESTOHL: Could you tell us what is the custom in respect of the making of announcement by the head of the state when the announcement affects another state? Does the announcement first go to the embassy of the state affected, or is it just abruptly announced, as in the case of the United States announcing the statement on oil? Would it be passed on to the embassy first before appearing in the press?

Mr. ROBERTSON: I think on the question of communications between governments it is customary to let the other country know that you are proposing to publish a communication and ask if they have objections to it. In the case of the promulgation of the presidential order on oil, that was, I suppose, legally a domestic United States action.

That was, I suppose, really a domestic American act. I think it was one which affected every country in the world interested in the oil trade. I would not expect advance copies of a proclamation like that to go to all the countries, although I would not like to leave the impression that the Americans do not go out of their way to keep us informed of what they are proposing to do.

Mr. MARTIN (*Essex East*): There would be no difficulty, I take it, according to your experience as an ambassador in Washington as well as in your present position, for the head of a government to make representations to the President of the United States about any matter concerning which the former felt keenly?

Mr. ROBERTSON: No, there would be no difficulty.

Mr. SMITH (*Calgary South*): I am sure this is directly what happened after the Carson committee made its recommendations. It was then purely a question for the President to decide whether or not he was going to abide by a United States supreme court decision and recognize the need for control.

Mr. ROBERTSON: That is right.

Mr. SMITH (*Calgary South*): Going back to June 1957, and the criticism which I had heard prior to that time as to Venezuela, for example, maintaining a substantial lobby, the United States took the position that they could not accept us, because it might affect their relations with that country.

Up to June 1957, were we kept apprised of the recommendations of the Carson committee? I realize that goes back before your period of office, but that is what I am attempting to get at.

Mr. ROBERTSON: I just do not know what the answer would be.

Mr. KUCHEREPA: During your years in Washington as ambassador do you recall any occasions when the head of a Canadian government made direct representations to the President of the United States?

Mr. ROBERTSON: The word "representation" is rather a technical term. But our Prime Minister and the President of the United States have had conversations in Washington, as well as up here; and I assume that they could be in touch with each other informally from time to time.

Mr. KUCHEREPA: Speaking in a formal sense, can you recall any occasions when direct representations were made by the Canadian government to the President of the United States?

Mr. ROBERTSON: It is my impression that there are questions before the house and a tabulation under way of representations and protests which I think has been promised in the house. I would prefer to see what evidence is produced.

Mr. MARTIN (*Essex East*): When were you appointed as ambassador to Washington?

Mr. ROBERTSON: May 15, 1957.

Mr. HERRIDGE: May I ask this question which I have heard discussed on a number of occasions by members of the committee, and for the information of the members: whether our representative abroad is an ambassador, a minister, or a charge d'affaires; to what extent is he allowed to make decisions on the spot? What degree of importance in a question requires him to consult with Ottawa, and what is the usual procedure in that respect?

Mr. ROBERTSON: I would say that consultation on any question of policy between a representative abroad and the government at home would be complete and continuous. Whether it be an ambassador, a minister, or a charge d'affaires, does not really alter the question. It does not mean that there is a greater delegation of responsibility between one class of representative as compared to another.

Nowadays with communications as prompt and secure as they are, any representative abroad—virtually any representative abroad—can get in touch with Ottawa within a day and consult, or get instructions as to the action he should take. That is one result and I think that is true of all diplomatic services—of the enormous speeding up, not only of telegraphic but telephonic communications, but of the provision for automatic ciphering which they have between a good many of the important offices.

A situation in which the representative is isolated for a while and has to use his own judgment without being able to inform his government, does not happen very much now; it is very rare.

The CHAIRMAN: Are there any other questions?

Mr. CRESTOHL: I see from your memorandum that six heads of missions retired from the service. Can you tell the committee whether the circumstances under which they retired were due to resignation or otherwise?

Mr. ROBERTSON: What is that, please?

Mr. CRESTOHL: Did the six heads of missions retire because of resignation, or was it under other circumstances? I refer to page two of your memorandum.

Mr. ROBERTSON: Yes, I have found the paragraph. I am familiar with the circumstances in some cases and I am not familiar with the circumstances in others. I can tell you by inspection, there are two or three, who had reached statutory retirement age. I see two or three others who did not. Whether in every case the resignation or retirement was accompanied by a letter of resignation I could not say without notice.

Mr. RICHARD (*Ottawa East*): What is the statutory retirement age?

Mr. ROBERTSON: It is the same age as for the civil service; normally it is 65, but it can be extended, as was done in the case of Mr. Wilgress, for a year. Then he was given a supplementary extension because the government wanted him to carry on at the "surprise attack" talks in Geneva last autumn.

Mr. HELLYER: Are there provisions for early retirement by agreement?

Mr. ROBERTSON: I think the general provisions of the Civil Service Act would apply.

Mr. MATTHEWS: In the case of people who come under the terms of the Special Superannuation Act, they cannot get a pension before 65 unless it be for the reason of ill health. Under the Civil Service Act, when career people are appointed, they can retire at the age of 60 and get a pension.

Mr. RICHARD (*Ottawa East*): What pension would they get in the special cases you mention?

Mr. MATTHEWS: I am afraid I would have to look up the original wording of the Act regarding the scale of pension entitlements. I have not that information here, but I could bring it for you.

Mr. RICHARD (*Ottawa East*): Would you please bring it for us.

Mr. MATTHEWS: Yes.

Mr. RICHARD (*Ottawa East*): I am under the impression that in special cases they can get a full pension in ten years.

Mr. MATTHEWS: No, in five years a minimum pension; in ten years, it goes up; and it increases every year thereafter to a maximum of 70 per cent, as under the Civil Service Act; but just what the steps are, I would have to let you know later.

Mr. HERRIDGE: Dr. Keenlyside was for eight years director general of the technical assistance administration of the United Nations. During that time was he still considered as one of the personnel of the Department of External Affairs?

Mr. ROBERTSON: Yes, I think he was seconded for service with the secretary general of the United Nations. He was really seconded twice. He went from the Department of External Affairs to be deputy minister of the Department of Mines and Resources, and from there he went to be director of the technical assistance program. But he was on the External Affairs establishment until he resigned last summer.

Mr. SMITH (*Calgary South*): Who replaced Mr. Désy as ambassador to France?

Mr. ROBERTSON: Mr. Pierre Dupuy is now our ambassador to France. He had been our ambassador in Rome.

Mr. HERRIDGE: What is the procedure for appointment if a Canadian citizen is appointed by some agency of the United Nations to do a particular work for any nation? Is there any recommendation or anything required from the Canadian government or from the department?

Mr. ROBERTSON: No. I think the initiative in all these cases comes from the specialized agencies or from the secretary general, in the case of the United Nations. If they want the service of somebody, such as a Canadian citizen, they move directly in the matter. But if they want the services of somebody in the Canadian service, they would inquire whether his services could be made available.

Mr. HERRIDGE: They would deal directly with a Canadian citizen, but not if that person were a member of the personnel of your department?

Mr. ROBERTSON: Yes. We have one man who is seconded to help the secretary general on a loan basis. I hope he will be coming back to our service in a year or so.

Mr. MARTIN (*Essex East*): You are referring to Mr. Murray?

Mr. ROBERTSON: Yes.

Miss AITKEN: Is he paid by the United Nations?

Mr. ROBERTSON: He is paid by the United Nations, but he has the status of a Canadian civil servant, and his ultimate pension rights are protected in the ordinary way should he return to our service.

Mr. MARTIN (*Essex East*): I think it should be noted that the secretary general of the United Nations has chosen one of our men to be in the closest immediate advisory capacity to him. I refer to "Geoff" Murray.

Mr. ROBERTSON: Yes.

Mr. NESBITT: I can well understand why the secretary general would do just that.

The CHAIRMAN: Are there any further questions?

Mr. VIVIAN: I wonder if Mr. Robertson would care to comment on the succeeding paragraph on page two of his memorandum and tell us what this inspection service in connection with the Department of Trade and Commerce amounted to?

Mr. ROBERTSON: It has been necessary as an administrative development, in an effort to try to keep up with the expanding number of offices. I think this inspection service is a combined effort as a rule, in which our department, the Department of Trade and Commerce, the Treasury Board, and on odd occasions the Civil Service Commission, examine and make suggestions on the organization and conduct of business, and the allocation of the work at the different posts; and there are field inspections.

We have a team going away today. But I think this year, the group is a purely External Affairs team. Two senior officers who have a good deal of experience both in the field and in the department will go to look into matters

on the spot; that is, into the actual working arrangements, staff relations, the premises, and so on, at about half a dozen posts in a convenient geographic area.

We have had an inspection service for three years, and a timetable is being worked out. I think perhaps we would like to have this kind of field check made every three of four years. Perhaps Mr. Matthews could expand on the point.

Mr. MATTHEWS: Inspection teams make about three tours a year. We always try to get someone from outside our department on them because we feel it makes for a better inspection. On the last one we had someone from the Civil Service Commission; and I think next time someone from the Treasury Board will go with us.

The objective is to have them visit each post every three and one half years, to look into it from the point of view of administration and so on. We like to get their comments and their report on how these missions can be improved; and they are able to discuss these problems on the spot.

Mr. VIVIAN: Thank you.

Mr. MARTIN (*Essex East*): Would this be the appropriate place, Mr. Chairman, to ask this question? The other day I ventured to ask in the house whether, in view of the statement made by the prime minister of Israel that he would like to have an opportunity at this time of reviewing matters between the United Arab Republic and Israel, the Canadian government would not give consideration to taking steps somewhat similar to those which they took as one of the sponsoring nations of the United Nations in 1952, to call upon the parties in that area to negotiate in accordance with the terms of the earlier arrangements. I cited the successful development in Cyprus. I wonder if the Canadian government could give consideration to taking the initiative after careful consideration which might lead to a discussion between the United Arab Republic, in particular, and Israel, as a means of seeking to resolve problems that concern them and that concern us all.

I wonder if Mr. Robertson's attention has been drawn to the suggestion I made, and if he has any comment to offer.

Mr. ROBERTSON: I think that is a question on which the only comment should come from the minister.

The CHAIRMAN: I think that is a question of policy.

Mr. MARTIN (*Essex East*): I do hope that the matter will be carefully considered by the department at this time.

The CHAIRMAN: Are there any further questions? There must be a lot of material in this statement in which you are interested. I certainly do not want to cut discussion short at all.

Mr. MARTIN (*Essex East*): What is the latest with regard to the foreign ministers' meeting? Is there anything you could add to what was last said?

Mr. ROBERTSON: No. I have nothing to add to what was said in the house.

Mr. MARTIN (*Essex East*): Is it the intention of the Secretary of State to report to the committee?

The CHAIRMAN: I think that possibly, in view of the importance of this General Item we could stand it over, and have the under-secretary appear before us again. Maybe there will be questions arising from time to time, of which we should make note, for the under-secretary to answer at some future meeting. Does that meet with the approval of the committee?

Mr. MARTIN (*Essex East*): My question was about the Secretary of State for External Affairs.

The CHAIRMAN: I have made an announcement about that already.

Mr. MARTIN (*Essex East*): I wonder if Mr. Robertson feels that my last question, being of a policy nature, should be answered by the minister. And in view of its importance, I was wondering when there would be an opportunity, and whether he will be returning,—because there are a number of other questions of a policy nature I would like to ask.

The CHAIRMAN: Mr. Martin, at the last meeting I indicated that the minister would return, and that he could not possibly be here today because of another engagement. No doubt he will be back.

Shall we stand Item 76 and pass on to Item 77.

Item 77. Representation abroad—operational, \$9,606,439.

The CHAIRMAN: Are there any questions on Item 77?

Item agreed to.

Item 78. Representation abroad—construction, acquisition or improvement of buildings works, land, equipment and furnishings, \$1,565,405.

Mr. KUCHEREPA: Might we have a progress report on this item?

The CHAIRMAN: Mr. Matthews will answer your question.

Mr. MATTHEWS: I can give you a brief report of what happened during the past year. Actually, we have been trying to develop new procedures for examining both buildings that are recommended for purchase and in arranging for the design of buildings abroad.

Therefore, the total number of projects completed during the past year has not been as large as we had hoped. We are at the moment working hard to arrange for the purchase of a residence in Buenos Aires. We do not have at the moment anyone we could have sent down to examine this property, so the Department of Public Works made available the services of their chief architect, who went down for us to look into this property. I think that is evidence of far closer cooperation between the two departments. They have personnel and facilities which can be made available on short notice.

The figures for the actual expenditures to date during the current fiscal year, indicate that there have not been any large expenditures for the purchase of new buildings. We have completed some construction projects and we have completed a chancery in Paris. I think that was the largest item. We have also completed alterations that were needed in New York.

When we were here last year, there was a very substantial sum in this year's estimates to finance these things.

Expenditures under the capital item for the current year up to March 1 amounted to \$530,000. The proposed purchase of an official residence in Buenos Aires during the current fiscal year may add to this total. There is always a time lag in entering the last month's expenditures abroad in the books; so that more than the normal monthly expenditure for furnishings will eventually be changed.

The plans for next year will, we hope, permit us to get at least a start on the embassy building in Brussels, and a start on the new chancery premises in Canberra and New Delhi. We hope to start on a construction program in Ankara. In Ankara we have unsatisfactory quarters rented both as residence and chancery and we hope to begin projects there. These will be the main ones we are contemplating constructing.

There may be properties turn up that we would want to buy, but it is very hard to forecast because you never know where a suitable property may turn up at a price which makes it a desirable purchase.

Mr. KUCHEREPA: We have land in Canberra?

Mr. MATTHEWS: Yes. We have a ninety-nine year lease from the Australian government on a very satisfactory basis.

Mr. KUCHEREPA: How close are we to construction there?

Mr. MATTHEWS: We are still working on design, but we hope that fairly early in this fiscal year we will be able to start—that is, in the coming fiscal year.

Mr. HERRIDGE: I note on page 3 of this statement that reference is made to “furnishings schemes, in full or in part”. Does that mean furnishings are done representing certain periods such as Queen Anne, Victorian and Edwardian? Would you explain that?

Mr. MATTHEWS: Where we buy or build a residence for a chief of mission, or property as a chancery or office, naturally we have to have a furnishing scheme. We try to keep it of a kind that is properly integrated; we do not want to mix local office furniture with Louis XV, or whatever it may be. Therefore, you can see we try to have a design worked out which is satisfactory as a whole, rather than in bits and pieces. We do this in two ways. We have some decorators on the staff of our Supplies and Properties Division and these people do the work themselves as much as possible.

We also make use of commercial decorators to give us recommendations on furnishing a house. The period furnishings schemes mentioned are usually necessary where we have rented a house which is partially furnished and we need to add some supplementary pieces.

Mr. HERRIDGE: That means if you acquired property which had furnishings in the period of Louis XV, you would continue that period?

Mr. MATTHEWS: You would certainly endeavour to have something which would go well with the furniture already there. You would not necessarily try to get period pieces.

Mr. HERRIDGE: You keep up the tradition of the Foreign Office?

Mr. MATTHEWS: Not exactly.

Mr. NESBITT: I have in mind a question much along the same line as Mr. Herridge's. Just as an observation, during an opportunity to spend a brief time in the new embassy in Paris, I noticed that certain parts of the new embassy were extremely well decorated and certain others followed the scheme Mr. Matthews mentioned, I suspect, of adding certain period furniture. The supplementary furniture pieces, I think had been made in Canada, and looked very much like it—with phony worm-holes and everything else. It did not look very attractive.

If you are going to supplement these furnishings I think it is a very good idea to attempt to get something approaching the genuine article.

The main thing I have in mind is something which has been brought up previously. Is consideration being given when furnishing embassies to furnish them completely with an eye to, shall we say, advertising—I do not like the term—Canada? There are very many good furnishings made in this country which have a distinctive flavour.

I know there is a committee at the present time selecting Canadian paintings to go in these embassies, but I am wondering to what extent it is contemplated that this policy will be followed in the future?

Mr. MATTHEWS: Wherever it is feasible to do so, we do buy in Canada and send abroad. There are certain times when it is not possible. Sometimes it adds very much to the expense. In tropical posts, you sometimes have to have furniture made of special woods in order to resist rot. In some cases we send these posts Canadian steel office furniture. We do, wherever possible and where it is financially reasonable, send Canadian furniture. As it is often only a matter of adding a few pieces, it is not worth trying to place an order in Canada and ship it out.

Mr. NESBITT: I may say I think there is a general feeling that when one visits an embassy of another country he expects to see something which indicates the flavour, atmosphere or culture of that country. When you see something else which is totally unrelated, it comes as a bit of a disappointment or a surprise.

Mr. MATTHEWS: I think it is really a matter of a compromise. You have to have something which fits into the surroundings of the country where you are. For instance, you would not expect to have the same furnishing scheme in Paris that you would possibly have in New Zealand or some other country. What is the norm in different countries will vary and you have to have furnishing schemes which are acceptable from that point of view.

Mr. RICHARD (*Ottawa East*): I do not suppose your decorators would be inspired in their choice of office furniture by what we have in the House of Commons here.

Mr. NESBITT: I hope they did not stick to the wine and green which we have here.

Mr. MONTGOMERY: I would like to go back to the question of property. Do you find that in some places it is cheaper to rent than to purchase property and own it? Is there a policy on this? When do you try to purchase property and when do you simply rent it?

Mr. MATTHEW: I think as a generalization you can say in the long run almost everywhere it would be cheaper to own, for two reasons. One reason is that the residence of the head of mission and/or chancery abroad is tax-free if we own it, the same way foreign missions here are tax-free. The second reason is when you rent quite often you have to move, and to move is always a very expensive procedure because your furniture, furnishings, curtains and rugs always, or quite often, are not suitable for the new property. So it is very much more expensive to move from one property to another.

Obviously, we cannot purchase our buildings everywhere at once, particularly because of the financial end of it and also the necessity of investigating these properties. So we do normally rent where suitable property can be available at reasonable rentals. Where rents are either extreme or where what is available for rent is not suitable, we give priority to expenditure of money for purchase or construction.

Mr. MONTGOMERY: Thank you. The other question I have is this: you have a property branch?

Mr. MATTHEWS: Yes.

Mr. MONTGOMERY: If you are going to build any building, do you also have in your department architects who design these buildings or do you depend on Public Works or outside architects?

Mr. MATTHEWS: Actually, we have on our strength two architects who have done some designing. But, as I mentioned, our progress this year has been rather slow because we have been trying to work out new schemes, one of which is a method of selecting Canadian architects to design our buildings abroad. Obviously, it would not be desirable or worth while financially to have on our staff enough architects to do all the work we want. So there has been established an architectural advisory committee, one of the functions of which is to recommend architects for carrying out projects abroad.

The membership on that committee consists of a representative of our Department, a representative of the Department of Public Works and three Canadian architects nominated by the Royal Canadian Institute of Architects, an organization to which every architect in Canada belongs.

Mr. MONTGOMERY: That committee then advises on the type of design?

Mr. MATTHEWS: They will recommend an architect. That architect then will submit a design, and the idea is that all designs would be approved by this architectural committee before the contracts are awarded.

Mr. McGEE: Who are the members of this committee at the present moment?

Mr. MATTHEWS: From the department, it is myself; the other members are Mr. Gardiner, the Chief Architect of the Department of Public Works, Mr. Payette of Montreal, from the Royal Canadian Institute of Architects, Mr. Gordon Hughes of Ottawa, and a Vancouver architect, whom I have met only once.

Mr. RICHARD (*Ottawa East*): I am interested in whether or not there is any real scheme in respect of future buildings for embassies or legations abroad from Canada, covering distinctive Canadian types of buildings, regardless of whether they are in Spain or somewhere else, so that when somebody goes there they say, "This is Canada". We should have a building which looks like Canada and is furnished like Canada.

Mr. MATTHEWS: Your detail can be Canadian, but you cannot have the same type of design for Kuala Lumpur as in Stockholm or Oslo.

Mr. McGEE: I am wondering if the member can give us an example of a typical Canadian building?

Mr. RICHARD (*Ottawa East*): Well, we have the city hall.

The CHAIRMAN: Are there any other questions?

Miss AITKEN: I would like to ask if we own the embassy in London and, if so, in a country where gardens are a way of life, why we have an embassy without any garden whatsoever?

Mr. ROBERTSON: May I answer the question, as I lived there for a number of years. It is always a problem of balance in London whether you are going out to the suburbs where the gardens are, or whether you are going to try to have a city house right in town.

Our residence in London is as close to the heart of London as a house could be. Now and then perhaps it is not so pleasant for occupants who would like a garden. However, a large part of our work is representation and it is an easy matter to bring people to lunch from the office and return. I feel on balance for eight or nine months of the year there is a great deal to be said for having a town house. I think the advantages of a central location have to be a compensation for lack of gardens and grounds and all the things which are more pleasant for the High Commissioner.

Mr. HERRIDGE: Where is the residence in London located?

Mr. ROBERTSON: Right in the heart of the West End between Grosvenor Square and Park Lane.

Mr. HERRIDGE: A very "posh" place.

Mr. ROBERTSON: It is becoming very much a business place. It could not be more centrally or conveniently located.

Mr. KUCHEREPA: Relative to the statement made by Mr. Matthews, if we are taxation exempt on all property owned, whether residences or chanceries, does that apply in a case where we have land leases?

Mr. MATTHEWS: No. It does apply in a place like London where you have a long lease, but not for an ordinary lease for a period of years. It will apply in Australia, where we have a 99-year lease and will own our own building.

Mr. MONTGOMERY: It says here that blocked funds were available for these expenditures. What is meant by blocked funds?

Mr. ROBERTSON: At the end of the war there were credits accruing to the Canadian government, mostly on account of the military relief fund, I think. A number of European countries which had been occupied,—for instance France, Italy, Yugoslavia and Holland came out of the war in very acute balance-of-payments difficulties. In the financial settlements with them it was agreed to accept in settlement funds which could not be converted into American or Canadian dollars and would need to be spent locally. Expenditures for properties have been authorized from these, and also in some places they have been used to finance Royal Society scholarships which have enabled Canadian architects and students, for instance, to study in these countries.

Mr. MONTGOMERY: They do not necessarily come entirely under your department?

Mr. ROBERTSON: No. It is a general Canadian government credit which is not convertible and must be used within the country.

Mr. MONTGOMERY: For any purpose the government decides?

Mr. ROBERTSON: Yes.

Mr. KUCHEREPA: Have you any idea how much there is tied up in such blocked funds?

Mr. ROBERTSON: It is very much diminished.

Mr. MATTHEWS: The total amount in the Netherlands as at March 31, 1958 was \$2,293,000. The rest of accounts from other countries have all been paid off and the funds used.

Mr. DINSDALE: Do we own our embassy in France?

Mr. MATTHEWS: Yes.

Mr. DINSDALE: And in the U.S.S.R.?

Mr. MATTHEWS: No.

Mr. NESBITT: We cannot there.

Mr. KUCHEREPA: What are the arrangements in the U.S.S.R. relative to our premises?

Mr. MATTHEWS: It is rented from the Soviet government. The total rental of the compound, which includes the ambassador's residence, office and some staff quarters, is \$10,620 a year.

Miss AITKEN: Is that considered a satisfactory embassy?

Mr. MATTHEWS: We are getting very cramped. For instance, the Department of Trade and Commerce want to send in an officer within the coming year and we will be very hard put to accommodate him. We are now negotiating with the Russians in an attempt to have an addition put on so we will have more office quarters.

Miss AITKEN: Does any country own its embassy there?

Mr. MATTHEWS: I am not sure exactly the nature of the arrangement, but I do know Sweden has just built an embassy. What the actual arrangement is I am not sure, but I have seen pictures of that building. I think almost all are in the same position we are in, that they have to rent government property.

Miss AITKEN: The British one is much more impressive than ours.

Mr. DINSDALE: I notice that the cost of maintaining the Canadian embassy in the U.S.S.R. is substantially smaller than in France. What would be the major explanation for that situation? Is there less activity?

Mr. MATTHEWS: Yes. There are fewer people. It is very much smaller.

Mr. ROBERTSON: Per capita it would be higher.

Mr. MATTHEWS: Per capita it would be as high as or higher than the other you mentioned.

Mr. KUCHEREPA: The U.S.S.R. government maintains their embassy here in Ottawa and they would not be paying any taxes whatsoever?

Mr. ROBERTSON: Yes.

Mr. KUCHEREPA: How does that compare with the arrangements in Russia? Are we getting a fair deal on this exchange of privileges?

Mr. MATTHEWS: It is very difficult to estimate that. The cost of the ruble dropped very much about a year and a half ago. Some things will be more expensive there and some less.

The rental we pay there is fairly modest when you think that it covers office and residential quarters. But other things are undoubtedly very expensive.

Item agreed to.

Item 79. Official hospitality, \$40,000.

Mr. MONTGOMERY: In respect of official hospitality, is that the total amount distributed among all our foreign offices?

Mr. MATTHEWS: That is the expenditure in Canada.

Mr. MONTGOMERY: Is there nothing further for official hospitality for these other embassies? Is that included in these expenses here?

Mr. MATTHEWS: Yes. That is included in the representational allowances paid to the officers at those missions.

Item agreed to.

Item 80. Relief and repatriation of distressed Canadian citizens abroad, \$15,000.

Mr. VIVIAN: What does this amount to? Is it something which is unrecoverable?

Mr. MATTHEWS: It is always advanced against an undertaking to repay. If you look over the years, you will see that about 50 per cent is repaid.

Mr. KUCHEREPA: It is a revolving fund?

Mr. MATTHEWS: Yes.

Mr. HERRIDGE: Under what system would those advances be made?

Mr. MATTHEWS: If a Canadian becomes destitute or sick while abroad and needs help; any case where a Canadian abroad needs help and that money is not available from charitable sources. In respect of hospitalization, or whatever it may be, if they have no funds of their own and cannot obtain them from other sources we advance against an undertaking to repay.

Mr. HERRIDGE: There was an unfortunate case which developed in connection with a man from my constituency who died some years ago. He was on war veterans allowance and the doctor had advised him to go to Mexico because of a lung condition, where he would be able to live in a dry climate and at a high altitude. In going to Mexico, he lost his war veterans allowance. I used to send him his money each month and in writing to him he had my letters in his possession. The Mexican peasants found my letters in his effects and they wrote to tell me they had found his body and that they had buried him. The cost to them was 700 pesos, I think. They were very poor people and wanted to know if I could do anything to have them repaid.

I got in touch with the Department of Veterans Affairs and they said they would take it up with the Department of External Affairs. What would your department do under those circumstances?

Mr. MATTHEWS: I think there are certain veterans funds where one can go to obtain assistance; but I do not think any government funds have been used for burial abroad any more than at home.

There are certain charitable funds we know about, either in Canada or in the various countries abroad, and we approach these organizations to get assistance. I am pretty sure we have not used government funds out of this appropriation to pay for burial expenses.

Mr. HERRIDGE: I was advised by the Department of Veterans Affairs that they were taking it up with the Department of External Affairs, and I was wondering if your department paid it or made arrangements for repayment and, secondly, if there had been anything done in respect of a headstone.

I remember noticing that a Canadian veteran died in Spain and the Canadian ambassador or his representative attended the funeral. The Canadian government provided for the expenses, and I understood there was a headstone erected.

Mr. MATTHEWS: There is no regular procedure for using departmental funds.

Mr. ROBERTSON: You may be thinking of the Imperial War graves cemetery for all those Commonwealth soldiers who were killed in the Mediterranean and who have no known graves. I know that our ambassador to Spain was asked to go to represent Canada at the unveiling.

Mr. HERRIDGE: This was an individual case of a Canadian soldier, a Canadian citizen. He was torpedoed, I believe. He was captured, and interned during the war and was kept for some years in an internment camp. Later he was released; he apparently lived there for some time and ultimately died. The Canadian minister, or ambassador, attended the funeral, and made arrangements concerning the cost. That is why I asked the question.

Mr. MATTHEWS: Arrangements for such costs would not be made through government funds. It must be done through some private organization.

Mr. CRESTOHL: I do not know if my question falls under the heading of expenditures, but it has something to do with the costs of the head of legations who have Christmas parties for their staffs and families. I had occasion to be invited to one of those gatherings. It was really very pleasant to find that the heads of legations did that sort of thing, making a little bit of Canada around the festive season. But I was told that it had to be done with the personal funds of the ambassador. I found that a little odd. There was no one else invited, except members of the legation and their wives and children. It was something which I felt was very appropriate to be done, and I could not see why it should be done at the exclusive and personal cost of the ambassador himself.

I raised this question two or three years ago when I was told that the matter would receive some attention. I am curious to know if it is now included in the expense account of the ambassador.

Mr. ROBERTSON: No, not as an identifiable expense. I think it would probably be regarded as a reasonable item once a year, in his general representation allowances, to permit him to cover it.

It is an allowance to see that Canada is adequately represented in the country where he is; and it is customary around Christmas time to have a party. It depends, I suppose, where you are. I suppose in a small mission they would pull in all the Canadians in the community, but it might not be practical in a place like London or Paris where so many Canadians are living. I think it is a thing which has to be conducted informally among the local personnel.

Mr. CRESTOHL: I found myself in Rome at the time, and I was very happy to be among those present on that occasion. But the ambassador told me that the cost came out of his personal expenses. I do not know if it was out of his expense account or whether it was out of his personal funds. I understood him to say that it was his own personal cost, and I found that a little odd.

Mr. MONTGOMERY: Maybe that is something we should not go into too much.

Mr. CRESTOHL: I think it should be expected of a legation, but not as a personal cost.

Mr. HERRIDGE: I have one more question under this item. Is it correct to say that the living destitute Canadian abroad can be assisted from this fund, but there can be no assistance in the case of whose burial as well as other services, is required. There appears to be distinction as to whether the Canadian be living or dead?

The CHAIRMAN: I think Mr. Clark, the head of the finance division, will answer your question.

Mr. H. F. CLARK (Finance Division, Department of External Affairs): The instructions, which we issue to the missions in a manual called "Consular Instructions", provide, among other things, insofar as the relief of destitute persons is concerned, that when death occurs and there is no means of obtaining financing assistance towards the cost of the funeral, the head of the post or the consul general may at his discretion to organize a funeral at public expense. For example, in the tropics where there is not much opportunity to refer a case to Ottawa and where burial has to be made, usually the same day, that is so. In short, instructions exist whereby the heads of posts or consuls-general have the discretion to authorize a funeral at public expense, if the case is completely hopeless as far as receiving financial assistance from Canada is concerned.

Mr. HERRIDGE: From what fund would such an expenditure be made?

Mr. CLARK: From this item just discussed.

Item agreed to.

Item 81. Canadian representation at international conferences, \$243,000.

Item agreed to.

Item 82. Grant to the United Nations Association in Canada, \$11,000.

Mr. NESBITT: How is the amount of that money distributed? Is it given to the association, and they in turn distribute it to the branches, or what?

Mr. MATTHEWS: It is given as a grant to the parent association.

Mr. ROBERTSON: The central office receives it to assist their publications.

Mr. MATTHEWS: Yes.

Mr. CRESTOHL: Has there been any request for an increase in this allocation?

Mr. MATTHEWS: No.

Mr. CRESTOHL: How long has it been at that figure?

Mr. MATTHEWS: 1954-55 was the first year when it was \$11,000.

Item agreed to.

Item 83. Grant to the International committee of the Red Cross, \$15,000.

Mr. HERRIDGE: Is it customary for most countries to contribute to the International Committee?

Mr. ROBERTSON: Yes. That is the way its central organization is financed partly from private and partly by grants from governments.

Mr. HERRIDGE: Is any capital basis set according to population?

Mr. ROBERTSON: No. It is just a set figure, as it was in the past, I imagine.

Mr. NESBITT: In that regard, is there any association or liaison between the Red Cross and the Soviet counterpart, the Red Crescent, or whatever it is called?

Mr. ROBERTSON: No; but I think a Soviet delegation attended the big conference of the Red Cross which was held in Canada about three years ago.

Mr. VIVIAN: There is a liaison between the International Red Cross committee and the Soviet counterpart either directly or indirectly, depending on how they feel about it.

Mr. HERRIDGE: There must be some cooperation, because I know that a large percentage of the people in my riding are Doukkobours and they were anxious to know the whereabouts of their people in the old country. They came to Ottawa, and as a result of the cooperation of the Red Cross and their contacts with a similar association in the Soviet Union, they were able to get the information they wanted.

Item agreed to.

Item 84. Grant to the Canadian Atlantic Co-ordinating committee, \$2,500.

Mr. NESBITT: May I ask a question here?

Mr. ROBERTSON: I shall read the particulars from our estimates:

The Canadian Atlantic Co-ordinating Committee was formed through the assistance of the Canadian Institute of International Affairs and the United Nations Association (originally in co-operation with the Canadian Association for Adult Education) in December 1953, as a result of an international study conference on the Atlantic community held at Oxford and Copenhagen in 1952 and 1953. The Canadian committee is affiliated with the international organization in support of NATO known as the Atlantic Treaty Association, and its constituent organizations are the C.I.I.A. and U.N.A. The aims of this association are:

1. To educate and inform the public about NATO;
2. To conduct research into its various activities and purposes;
3. To promote the solidarity of the peoples of the North Atlantic area.

In the arrangements made this year for the observation of the tenth anniversary of NATO, the Canadian committee has been cooperating.

Mr. NESBITT: Where does the committee have its headquarters, and who is the president?

Mr. ROBERTSON: The chairman is Professor MacInnis who was chairman of the Institute of International Affairs. I think his quarters are at 230 Bloor street, Toronto.

Mr. NESBITT: Does this group have other sources of income besides this item?

Mr. ROBERTSON: We have a financial statement here. It operates in a very modest way. I think its principal source of finances is this grant of \$2,500; and it has a modest bank balance on which it derives some interest.

Its expenses are incurred in organizing participation in activities connected with the North Atlantic Treaty Organization; for example, the conference which was held in Boston last autumn.

Mr. NESBITT: Are there many branches?

Mr. ROBERTSON: No. I think there is only the central organizing office.

Item agreed to.

Item 85. Canadian government's assessment for membership in the international (including commonwealth) organizations, \$3,838,519.

Mr. DINSDALE: Under item 84, if the appropriation is not required in 1959-60, I understand it reverts to scholarships for Canadians travelling abroad. Has this program been discontinued?

Mr. ROBERTSON: It has been taken over by the Canada Council.

Miss AITKEN: Does item 85 include the Commonwealth Parliamentary Association?

Mr. ROBERTSON: I would not think so.

Mr. MATTHEWS: No; that is paid out of the House of Commons vote and it is not within the Department of External Affairs estimates.

Item agreed to.

Item 86. Canadian government's contributions to the United Nations expanded program for technical assistance to under-developed countries, \$1,931,250.

Mr. RICHARD (*Ottawa East*): Would the chairman please give us the title each time he calls an item?

The CHAIRMAN: Very well.

Mr. STINSON: I wonder if the Under Secretary could tell us how this amount compares with the contributions made by other western countries?

Mr. ROBERTSON: Yes. I have a list here. Last year the United States contributed \$15,500,000; the United Kingdom, \$2,240,000; France, \$1,542,000; the U.S.S.R., \$1,000,000; the Netherlands, \$1,092,000; and the next six largest countries contributed between half a million dollars and \$800,000 each.

Mr. STINSON: To what extent does Canada control, through our representatives at the United Nations, or in this particular agency, the manner in which this money is expended?

Mr. ROBERTSON: We share the general control exercised by the Assembly and its appropriate committee, in approving the budget for the coming year and in reviewing the projects to be undertaken.

I speak subject to correction, but I believe ECOSOC also deals with this program, and our representatives is on this committee.

Mr. VIVIAN: It is a contribution which is made to a general program; and on the question of proportionate budgetting, the countries are prepared to do that. I think the feeling has been that this is an excellent way in which to share in a multi-lateral program of work which is always studied by the number of directors involved in this program, and the personnel is drawn from other countries. It is certainly one of the better things that the United Nations does.

Mr. NESBITT: In the preparatory committee no doubt Canada had a very considerable voice.

Mr. ROBERTSON: You mean in preparing this scheme.

Mr. KUCHEREPA: Is there any reason for Canada's contributing just about twice as much as the U.S.S.R.?

Mr. ROBERTSON: I think it would be better to ask the U.S.S.R. why their contribution is only one half that of Canada.

Mr. MONTGOMERY: I suppose Canada gives what she feels she is able to give.

Mr. NESBITT: At these various international conferences, we hear the standard speeches from the U.S.S.R. about the help they give to other countries; but when the time comes, we find that it has been all talk and no action.

On the other hand, Canada, which does not do so much talking, does do something which reflects very well on this country, and the U.S.S.R. gets little actual credit. I think that is becoming increasingly apparent.

Item agreed to.

The CHAIRMAN: I think we shall adjourn now, but before we do so, I have one or two announcements to make.

I have to ask the committee for permission to print this background material tabled by the Under Secretary, as an appendix to today's proceedings, and also detailed comparative statement of the estimates. If it is included

in today's printed proceedings, then you will have an opportunity to study it, and it will be available to everyone. Have I permission to do that?

Agreed.

See appendices A & B.

I want to announce the next meeting which will be on Monday at 10.30 a.m. in Room 238. I am adjourning this meeting a little early today because another committee will be meeting here in a short time and we should allow the staff to clean up the room, in preparation for that meeting.

This meeting stands adjourned until 10.30 on Monday morning.

Mr. RICHARD (*Ottawa East*): What will be the business on Monday?

The CHAIRMAN: We will continue with item 87.

APPENDIX "A"

ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

Under the authority of the Secretary of State for External Affairs, the Department is administered by the Under-Secretary of State for External Affairs (Deputy Minister), who is assisted by the Deputy Under-Secretary and by four Assistant Under-Secretaries, each of whom is responsible for the activities of specific divisions of the Department. The Department in Ottawa, which is organized into twenty divisions and four smaller units, is responsible for advising the Government on political and economic affairs throughout the world and in international organizations, and for the administration of its posts abroad.¹

Canada now maintains 63 diplomatic and consular posts abroad, a commissioner's office in The West Indies, and a military mission in Berlin which also performs consular duties.² Of the 63 posts, 34 are embassies, nine high commissioners' offices, four legations, three permanent missions to international organizations and thirteen consular offices, including two honorary consulates. In addition, Canada is represented, together with India and Poland, on the International Supervisory Commissions for Cambodia and Vietnam. Delegations consisting of both External Affairs and National Defence personnel are maintained at Phnom Penh in Cambodia and Hanoi and Saigon in Vietnam.

Fifty countries now have diplomatic missions in Canada.³ Of these, 36 are embassies, seven are high commissioners' offices, and seven are legations. In addition, The West Indies has a commissioner's office, and twelve countries have consular offices but no resident diplomatic missions. During 1958, Burma accredited an Ambassador to Canada, and Austria raised the status of its legation to that of an embassy. Ceylon appointed a resident High Commissioner; the former High Commissioner for Ceylon was also Ambassador to the United States and resided in Washington.

In 1958, 21 Foreign Service Officers 1 were recruited into the Department from among 312 candidates in a competition held in November 1957. Other appointments to the Department during the year numbered 172. 184 resignations were submitted, resulting in a net staff increase of 9.

Following is a comparison of the departmental personnel strength on December 31, 1957, and December 31, 1958:

Officers	1957	1958
Ottawa	174	176
Abroad	209	219
Administrative Personnel		
Ottawa	554	527
Abroad	381	405
Local Staff	477	504
Total	1,795	1,831

During the year, six heads of post retired from or left the foreign service. These were Mr. J. Désy, Canadian Ambassador to France; Mr. D. S. Cole, Canadian Ambassador to Mexico; Mr. P. Picard, Canadian Ambassador to Argentina; Mr. A. J. Boudreau, Canadian Consul General at Boston; Mr. L. G. Chance,

¹ See Appendix 1: "Organization of the Department at Ottawa".

² See Appendix 2: "Canadian Diplomatic and Consular Representation Abroad".

³ See Appendix 3: "Diplomatic and Consular Representation of Other Countries in Canada".

Canadian Consul General at Los Angeles, and Mr. H. L. Keenleyside, who, for the previous eight years, had served with the United Nations Secretariat as Director General of the Technical Assistance Administration.

In co-operation with the Department of Trade and Commerce, the Inspection Service arranged and carried out further inspection tours of the posts abroad as a continuation of the programme initiated in 1956. During the year teams visited twenty-three posts administered by the two Departments in Latin America, South-East Asia, Australia, New Zealand and Northern Europe.

In 1958 purchases were made of a Chancery and staff accommodation site in New Delhi, an Official Residence in Port-of-Spain, and a strip of land adjacent to the Official Residence in Havana. The construction of the Chancery in Paris was completed and the premises fully occupied. New offices were leased in Kuala Lumpur, Tehran and Bogota, and for the New York Consulate General and the Permanent Delegation to the United Nations in New York. Additional space was leased to augment existing office facilities in Boston, Los Angeles and New Delhi. Leases for office premises were renewed or renegotiated at ten other Posts.

New Official Residences were leased in Kuala Lumpur and Tehran, and Official Residences moved to new locations in Athens, Manila, New Orleans, Warsaw, and in Paris for the North Atlantic Treaty Organization. Leases on Official Residences were renewed or renegotiated at five other Posts.

Staff quarters were leased in Accra—five quarters, Ankara—two quarters, Colombo, Kuala Lumpur, Moscow—three quarters, New Delhi, and Warsaw—two quarters. Leases on several properties already held were renegotiated and/or renewed. The following properties were sold: Dublin—former Residence; Tokyo—staff house; Wellington—Residence building site.

Furnishings schemes, in full or in part, were undertaken at the following; Chanceries: Canadian Consulate General, New York, Permanent Delegation to the United Nations, New York, Kuala Lumpur, Port of Spain, Rome and Paris; Official Residences: Dublin, Boston, Port of Spain, Tehran, Warsaw and Accra; Staff quarters: Kuala Lumpur—two quarters, Ankara—two quarters, Colombo, Bonn, Warsaw, New Delhi, Tokyo and Accra—two quarters.

APPENDIX 1

ORGANIZATION OF THE DEPARTMENT AT OTTAWA

Secretary of State for External Affairs

Under-Secretary of State for External Affairs

Deputy Under-Secretary of State for External Affairs

Four Assistant Under-Secretaries of State for External Affairs. (one of whom is Legal Adviser)

Twenty Divisions:

American

Commonwealth

Communications

Consular

Defence Liaison (1)

Defence Liaison (2)

Economic I

Economic II

Establishments and Organization

European

Independent Units

Financial Adviser

Inspection Service

Political Co-ordination Section

Press Office

Far Eastern

Finance

Historical

Information

Legal

Middle Eastern

Personnel

Protocol

Supplies and Properties

United Nations

APPENDIX 2

CANADIAN DIPLOMATIC AND CONSULAR
REPRESENTATION ABROAD¹1. Diplomatic Missions²

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Argentina	Buenos Aires	Embassy
Australia	Canberra	High Commissioner's Office
Austria	Vienna	Embassy
Belgium	Brussels	Embassy
Brazil	Rio de Janeiro	Embassy
Ceylon	Colombo	High Commissioner's Office
Chile	Santiago	Embassy
Colombia	Bogota	Embassy
Cuba	Havana	Embassy
Czechoslovakia	Prague	Legation
Denmark	Copenhagen	Embassy
Dominican Republic	Ciudad Trujillo	Embassy
Finland	Helsinki	Legation
France	Paris	Embassy
Germany	Bonn	Embassy ³
Ghana	Accra	High Commissioner's Office
Greece	Athens	Embassy
Haiti	Port-au-Prince	Embassy
India	New Delhi	High Commissioner's Office
Indonesia	Djakarta	Embassy
Iran	Tehran	Legation
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy
Japan	Tokyo	Embassy
Lebanon	Beirut	Embassy
Malaya	Kuala Lumpur	High Commissioner's Office
Mexico	Mexico	Embassy
Netherlands	The Hague	Embassy
New Zealand	Wellington	High Commissioner's Office
Norway	Oslo	Embassy
Pakistan	Karachi	High Commissioner's Office
Peru	Lima	Embassy
Poland	Warsaw	Legation
Portugal	Lisbon	Embassy
Spain	Madrid	Embassy
Sweden	Stockholm	Embassy

¹ For further information, see the thrice-yearly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada".

² No diplomatic missions are maintained in Burma, Iceland and Luxembourg, but the High Commissioner for Canada to Malaya is also accredited as Ambassador to Burma, the Ambassador to Norway as Minister to Iceland (where there is a Consulate General in Charge of an honorary officer) and the Ambassador to Belgium as Minister to Luxembourg. The Ambassador to Cuba is also accredited as Ambassador to the Dominican Republic and to Haiti, and the Ambassador to Sweden as Minister to Finland. (There are missions under the direction of *Chargés d'Affaires* a.l. in the Dominion Republic, Haiti and Finland.)

³ There is also a mission in Berlin.

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Switzerland	Berne	Embassy ⁴
Turkey	Ankara	Embassy
Union of South Africa	Pretoria	High Commissioner's Office
Union of Soviet Socialist Republics	Moscow	Embassy
United Arab Republic	Cairo	Embassy
United Kingdom	London	High Commissioner's Office
United States of America	Washington	Embassy
Uruguay	Montevideo	Embassy
Venezuela	Caracas	Embassy
Yugoslavia	Belgrade	Embassy

2. Permanent Missions to International Organizations.

<i>Organization</i>	<i>City</i>
North Atlantic Council)	Paris
Organization for European Economic Co-operation)	
United Nations	New York
United Nations (European Headquarters)	Geneva

3. Commissioner's Office

<i>Country</i>	<i>City</i>
West Indies	Port-of-Spain

4. Consulates

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Brazil	Sao Paulo	Consulate
Germany	Hamburg	Consulate
Iceland	Reykjavik	Consulate General*
Philippines	Manila	Consulate General
United States of America	Boston	Consulate General
	Chicago	Consulate General
	Detroit	Consulate
	Los Angeles	Consulate General
	New Orleans	Consulate General
	New York	Consulate General
	Portland, Maine	Vice-Consulate*
	San Francisco	Consulate General
	Seattle	Consulate General

⁴ The Canadian Ambassador to Switzerland is in charge of Canadian interests in Liechtenstein.

* In charge of honorary officers.

APPENDIX 3

DIPLOMATIC AND CONSULAR REPRESENTATION
OF OTHER COUNTRIES IN CANADA¹1. Diplomatic Missions²

<i>Country</i> ³	<i>Nature of Post</i>
*Argentina	Embassy
Australia	High Commissioner's Office
*Austria	Embassy
*Belgium	Embassy
*Brazil	Embassy
Burma	Embassy
Ceylon	High Commissioner's Office
*Chile	Embassy
*China	Embassy
*Colombia	Embassy
*Cuba	Embassy
*Czechoslovakia	Legation
*Denmark	Embassy
*Dominican Republic	Embassy
*Finland	Legation
*France	Embassy
*Germany	Embassy
*Greece	Embassy
*Haiti	Embassy
*Iceland	Legation
India	High Commissioner's Office
Indonesia	Embassy
Iran	Legation
Ireland	Embassy
*Israel	Embassy
*Italy	Embassy
*Japan	Embassy
*Lebanon	Legation
*Luxembourg	Legation
*Mexico	Embassy
*Netherlands	Embassy
New Zealand	High Commissioner's Office
*Norway	Embassy
Pakistan	High Commissioner's Office
*Peru	Embassy
*Poland	Legation
*Portugal	Embassy
*Spain	Embassy
*Sweden	Embassy
*Switzerland	Embassy
Tunisia	Embassy
Turkey	Embassy
Union of South Africa	High Commissioner's Office
Union of Soviet Socialist Republics	Embassy

¹ For further particulars, see the thrice-yearly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada" and the quarterly publication "Diplomatic Corps".

² The Ambassadors of Burma and Tunisia and the Ministers of Iceland and Luxembourg are also accredited to the United States of America, where they are ordinarily resident.

³ Those countries marked with an asterisk have consulates in Canada. The Office of the High Commissioner for India has charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Embassy of Switzerland of those of Liechtenstein; and the Embassy of the United Arab Republic of those of Iraq.

<i>Country</i> ³	<i>Nature of Post</i>
United Arab Republic	Embassy
United Kingdom	High Commissioner's Office
*United States of America	Embassy
*Uruguay	Embassy
*Venezuela	Embassy
*Yugoslavia	Embassy

2. Commissioner's Office

<i>Country</i>	<i>City</i>
West Indies	Montreal

3. Countries Having Consulates but No Diplomatic Missions

Bolivia	Monaco
Costa Rica	Nicaragua
Ecuador	Panama
Guatemala	Philippines
Honduras	Salvador
Liberia	Thailand

INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS
OF WHICH CANADA IS A MEMBER¹

COMMONWEALTH OF NATIONS

NORTH ATLANTIC TREATY ORGANIZATION

UNITED NATIONS

Security Council

Economic and Social Council

Functional Commissions of the Economic and Social Council:

Commission on International Commodity Trade

Commission on Narcotic Drugs

Commission on the Status of Women

Population Commission

Statistical Commission

Executive Committee of the United Nations Refugee Fund

United Nations Children's Fund Executive Board

United Nations Specialized Agencies

Food and Agricultural Organization

International Atomic Energy Agency²

International Bank of Reconstruction and Development

International Civil Aviation Organization

International Labour Organization

International Monetary Fund

International Telecommunications Union

¹ Intergovernment bodies only are included.² The International Atomic Energy Agency is not technically a Specialized Agency, but it is an autonomous intergovernmental agency under the aegis of the United Nations.

United Nations Specialized Agencies—(Continued)

- United Nations Educational, Scientific and Cultural Organization
- Universal Postal Union
- World Health Organization
- World Meteorological Organization

Other United Nations Continuing Bodies

- Advisory Committee for the United Nations Memorial Cemetery in Korea
- Advisory Committee of the United Nations Korean Reconstruction Agency
- Advisory Committee on the Peaceful Uses of Atomic Energy
- Advisory Committee on the United Nations Emergency Force and on the United Nations Observation Group in Lebanon
- Collective Measures Committee
- Committee on Contributions
- Disarmament Commission
- International Finance Corporation¹
- Negotiating Committee for Extra-Budgetary Funds
- Panel for Inquiry and Conciliation
- Preparatory Committee for the Intergovernmental Maritime Consultative Organization
- Scientific Committee on the Effects of Atomic Radiation

Ad Hoc Bodies

- Ad Hoc Committee on a Special United Nations Fund for Economic Development
- Committee on the Financing of the United Nations Emergency Force

Commonwealth Organizations

- Commonwealth Advisory Aeronautical Research Council
- Commonwealth Advisory Committee on Defence Science
- Commonwealth Agricultural Bureau Executive Council
- Commonwealth Air Transport Council
- Commonwealth Economic Committee
- Commonwealth Forestry Conference
- Commonwealth Liaison Committee
- Commonwealth Scientific Conference
- Commonwealth Shipping Committee
- Commonwealth Telecommunications Board
- Imperial War Graves Commission
- South Pacific Air Transport Command

United States—Canada Organizations

- Canada-United States Ministerial Committee on Joint Defence
- International Boundary Commission
- International Joint Commission
- Joint Committee on Trade and Economic Affairs
- Permanent Joint Board on Defence

Inter-American

- Commissions on Geography and Cartography of the Pan-American
- Institute of Geography and History
- Inter-American Statistical Institute
- Pan-American Radio Office
- Postal Union of the Americas and Spain

¹ The International Finance Corporation is an affiliate of the International Bank for Reconstruction and Development.

Colombo Plan

- Consultative Committee on Co-operative Economic Development in South and South-East Asia
- Council for Technical Co-operation in South and South-East Asia

Conservational

- Great Lakes Fishery Commission
- International North Pacific Fisheries Commission
- International Northwest Atlantic Fisheries Commission
- International Pacific Halibut Commission
- International Pacific Salmon Fisheries Commission
- International Whaling Commission
- North Pacific Fur Seals Commission

Economic¹

- Contracting Parties to the General Agreement on Tariffs and Trade
- Customs Co-operation Council
- European Productivity Agency (as associate member)
- Inter-Allied Reparations Agency
- Intergovernmental Committee for European Migration
- International Bureau for the Publication of Customs Tariffs
- International Convention for the Protection of Literary and Artistic Property
- International Cotton Advisory Committee
- International Rubber Study Group
- International Sugar Council
- International Tin Council
- International Union for the Protection of Industrial Property.
- International Wheat Council
- International Wool Study Group
- Organization for European Economic Co-operation (as associate member)
- United Kingdom-Canada Continuing Committee on Trade and Economic Affairs

Scientific

- International Bureau of Weights and Measures
- International Hydrographic Bureau
- International Institute of Refrigeration

¹ See also under previous headings.

APPENDIX "B"

MAIN ESTIMATES 1959-60 COMPARED WITH 1958-59

Information material prepared for Members of the 1959 Standing Committee on External Affairs.

This material is in two main parts; viz., comparison of the 1959-60 Estimates with those of 1958-59 with explanations of all substantial changes, and a series of Appendices comparing the 1959-60 Estimates with the estimated expenditures for 1958-59 and the actual expenditures for 1957-58.

MAIN ESTIMATES 1959-60 COMPARED WITH 1958-59

No. of Vote	Service	1959-60	1958-59	Increase	Decrease	No. of Vote
		\$	\$	\$	\$	
	Totals.....	80,825,001	76,159,733	4,665,268		
(S)	Minister's Salary and Motor Car Allowance.....	17,000	17,000			(S)

A—DEPARTMENT AND MISSIONS ABROAD

76	Departmental Admin.....	6,319,803	5,792,311	527,492		76
77	Representation Abroad—Operational.....	9,606,439	8,747,405	859,034		77
78	Representation Abroad—Capital...	1,565,405	1,412,688	152,717		78
79	Official Hospitality.....	40,000	40,000			79
80	Relief and Repatriation of Distressed Canadians.....	15,000	15,000			80
81	Representation at International Conferences.....	243,000	243,000			81
82	Grant to U.N. Association in Canada.....	11,000	11,000			82
83	Grant to Int. Red Cross.....	15,000	15,000			83
84	Grant to Can. Atl. Co-ord. Committee.....	2,500	2,500			84
	Appropriation not required for 1959-60.....		42,700		42,700	
	A—Sub-total.....	17,818,147	16,321,604	1,496,543		
	A—Total Department and Mission Abroad.....	17,835,147	16,338,604	1,496,543		

B—GENERAL

85	Assessment in Int. Organizations...	3,838,519	2,549,055	289,464		85
86	U.N. Exp. Prog. for Tech. Assist.,	1,931,250	1,976,875		45,625	86
87	U.N. Tech. Assist. Training Center Univ. of B.C.....	10,000		10,000		87
88	U.N. Special Fund.....	1,931,250		1,931,250		88
89	U.N. Children's Fund.....	650,000	650,000			89
	B—Sub-total.....	8,361,019	6,175,930	2,185,089		
90	NATO Staff Assignment.....	60,245	51,109	9,136		90
91	NATO Science Fellowships.....	42,545		42,545		91
92	NATO Headquarters Bldg.....	124,420	286,247		161,827	92
	B—Sub-total.....	227,210	337,356		110,146	

STANDING COMMITTEE

No. of Vote	Service	1959-60	1958-59	Increase	Decrease	No. of Vote
		\$	\$	\$	\$	
93	ICAO Rental Assistance.....	214,594	214,971		377	93
94	ICAO Income Tax Assist.....	9,000	7,500	1,500		94
	B—Sub-total.....	223,594	222,471	1,123		
(S)	Annuity to Mrs. H. Y. Roy.....	1,667	1,667			(S)
95	Pension Miss H. L. Waddell.....	412		412		95
(S)	Diplomatic Service (Special) Super- annuation Act.....	39,333		39,933		(S)
	B—Sub-total.....	42,012	1,667	40,345		
96	I.J.C. Salaries & Expenses.....	112,124	111,048	1,076		96
97	I.J.C. Studies & Surveys.....	116,110	244,950		128,840	97
	B—Sub-total.....	228,234	355,998		127,764	
98	Colombo Plan.....	50,000,000	35,000,000	15,000,000		98
99	Assessment for Membership in I.C.E.M.....	226,801	258,218		31,417	99
100	Grant to U.N. Refugee Fund.....	290,000	200,000	90,000		100
101	Canadian Participation—European Productivity Agency—O.E.E.C.....	20,000	20,000			101
102	Grant to UNRWA Near East.....	500,000	500,000			102
103	International Commissions Indo- China.....	270,984	389,489		118,505	103
104	Technical Assist to Comm. Coun- tries other than those covered in Colombo Plan or West Indies Assist. Prog.....	500,000	135,000	365,000		104
105	West Indies Assistance Programme. Appropriations not required for 1959-60.....	2,100,000	1,475,000	625,000		105
			14,750,000		14,750,000	
	B—Sub-total.....	53,907,785	52,727,707	1,180,078		
	B—Total, General.....	62,989,854	59,821,129	3,168,725		
SUMMARY						
	To be voted.....	80,766,401	76,141,066	4,625,335		
	Authorized by Statute.....	58,600	18,667	39,933		
	Total Estimates.....	80,825,001	76,159,733	4,665,268		

REFERENCES—

76—DEPARTMENTAL ADMINISTRATION—INCREASE \$527,492

	Increase \$	Decrease \$
(1) Salaries	403,548	—
(4) Professional and Special Services.....	—	34,000
(5) Courier Service	124,000	—
(5) Removal and Home Leave Expenses....	270,500	—
(5) Other Travelling Expenses	5,000	—
(6) Freight, Express and Cartage.....	1,500	—
(7) Postage	—	10,000
(8) Carriage of Diplomatic Mail.....	—	159,000
(8) Telephones, Telegrams and Other Communication Services	—	24,063
(9) Publication of Departmental Reports and Other Material	—	27,700
(10) Displays, Films and Other Informational Publicity	—	2,400
(11) Office Stationery, Supplies and Equipment	23,707	—
(12) Purchase of Publications for Distribution	—	5,500
(12) Materials and Supplies	5,100	—
(16) Acquisition of Equipment.....	—	50,100
(17) Repairs and Upkeep of Equipment.....	—	—
(19) Taxes on Diplomatic Properties in Ottawa Area	6,900	—
(22) Compensation to Employees for Loss of Effects	—	5,000
(22) Sundries	5,000	—
Total Increase	527,492	—

76—(1) Salaries—Increase \$403,548

This increase is due to the addition of 29 positions to the present establishment and to annual salary increments. A substantial portion of the increase, however, arises from an over-estimation of the anticipated savings due to staff turnover; \$320,000 in 1958-59 as compared with \$128,600 in 1959-60.

76—(4) Professional and Special Services—Decrease \$34,000

The decrease here is due mainly to the fact that we have not this year, as last, provided for legal fees concerning the International Arbitration Tribunal re Gut Dam claims.

76—(5) Courier Service—Increase \$124,000

This increase is offset by a saving of \$159,000 in Carriage of Diplomatic Mail formerly handled by commercial airlines.

76—(5) Removal and Home Leave Expenses—Increase \$270,500

The increase is due to an increase in the number of personnel scheduled to be moved, and to underestimating our expenditures for 1958-59.

76—(7) Postage—Decrease \$10,000

This decrease is accounted for by a new procedure of not registering passports despatched by the Passport Office.

76—(8) *Carriage of Diplomatic Mail—Decrease \$159,000*

This decrease is due to the re-organization of procedures in the Carriage of Diplomatic Mail and Courier Service. Some carriage of mail by safe hand of pilot has been discontinued and is now carried by our couriers at a considerable saving.

76—(8) *Telephones, Telegrams and Other Communication Services—Decrease \$24,063*

The main reason for this decrease is the enlargement of Telex service and the routing of telegrams through our major communication centres abroad by this means for re-transmission at lower commercial rates.

76—(9) *Publication of Departmental Reports and Other Material—Decrease \$27,700*

This decrease is due mainly to smaller editions of "Canada Pictorial", 275,000 copies, and "Canada from Sea to Sea", 125,000, as compared with 800,000 and 300,000 copies respectively in 1958-59.

76—(11) *Office Stationery, Supplies and Equipment—Increase \$23,707*

This arises from a normal increase in the volume of business, higher printing costs and purchase and replacement of a larger amount of typewriters and office equipment.

76—(16) *Acquisition of Equipment—Decrease \$50,100*

In the programme to equip adequately our Communication Centre in Ottawa, the major amount of units required were purchased during the last two fiscal years. The amount requested this year is to complete the programme.

77—*Representation Abroad—Operational—Increase \$859,034*

	Increase \$	Decrease \$
(1) Salaries	458,890	—
(1) Overtime	—	18,300
(2) Allowances	371,669	—
(4) Professional and Special Services.....	—	23,585
(5) Travelling Expenses	3,200	—
(6) Freight, Express and Cartage.....	24,655	—
(7) Postage	—	—
(8) Telephones, Telegrams and Other Communication Services	35,999	—
(11) Office Stationery, Supplies and Repairs to Office Equipment	30,885	—
(12) Fuel for Heating and Other Materials and Supplies	15,770	—
(14) Repairs and Upkeep of Buildings and Works	—	54,565
(15) Rentals of Land, Buildings and Works..	—	430
(17) Repairs and Upkeep of Equipment.....	—	—
(18) Rental of Equipment.....	—	1,750
(19) Municipal and Public Utility Services..	13,095	—
(21) Benefits in Consideration of Personal Services	4,760	—
(22) Sundries	—	1,259
Total Increase	859,034	—

77—(1) Salaries—Increase \$458,890

This increase is chiefly due to an over-estimation in the current year of the anticipated savings due to staff turn-over which is \$300,000 in the current year as compared with \$50,000 in 1959-60. The actual increase, therefore, is \$190,590 which is the result of an additional 34 positions and salary increments. The positions are for new establishments at Tehran, Port of Spain and Kuala Lumpur.

77—(2) Allowances—Increase \$371,669

This increase results from the increase in the establishment and to higher costs of living abroad.

77—(4) Professional and Special Services—Decrease \$23,585

The decrease here is due to our reduced requirement in "Other Professional Services".

77—(6) Freight, Express and Cartage—Increase \$24,655

The main reason for this increase is our under-estimation of requirements for 1958-59. The present estimate is based on the current pattern of expenditures.

77—(8) Telephones, Telegrams and Other Communication Services—Increase \$35,999

This increase reflects the rise in telephone rates in some countries as well as additional costs through the opening of new offices in Iran, Malaya and West Indies. A major proportion of the increase is for larger volume of telegram traffic.

77—(11) Office Stationery, Supplies and Repairs to Office Equipment—Increase \$30,885

This increase is due to the operating of 64 Posts abroad as compared to 61 in 1958-59, and additional requirements for security equipment.

77—(12) Fuel for Heating and Other Materials and Supplies—Increase \$15,770

Increase for this primary reflect the expansion of various offices and activities of the Department throughout the world as well as the rising costs of commodities at certain of our Posts.

77—(14) Repairs and Upkeep of Buildings and Works—Decrease \$54,565

The decrease results, in large part, from the completion of the alterations to our New York offices during 1958-59.

77—(18) Rental of Equipment—Decrease \$1750

This decrease results mainly from arrangements in India whereby we have been able to place some of our staff members in quarters with long-term leases, so making the installation of Government-owned equipment possible.

77—(19) Municipal and Public Utility Services—Increase \$13,095

The increase results from increases in utility rates, larger accommodations at some posts, and the opening of three posts not previously provided for.

77—(21) Benefits in Consideration of Personal Services—Increase \$4,760

This increase is due to some raises in local staff salaries, resulting in higher social security contributions and to additions in locally-engaged staff.

78—REPRESENTATION ABROAD—CAPITAL—INCREASE \$152,717

	Increase \$	Decrease \$
(11) Office Furnishings and Equipment	—	9,188
(13) Acquisition, Construction and Improvement of Properties for Offices and Residences Abroad, including Land..	76,950	—
(16) Acquisition of Teletype Equipment	48,140	—
(16) Furniture and Furnishings for Residences Abroad	—	—
(16) Procurement of Motor Vehicles and Other Equipment	31,900	—
(16) Basic Household Equipment and Furnishings for Staff Abroad	4,915	—
Total Increase	152,717	—

78—(11) Office Furnishings and Equipment—Decrease \$9,188

The amount in this primary is to meet a normal programme of replacements for worn-out items of furnishings and equipment.

78—(13) Acquisition, Construction and Improvement of Properties for Offices and Residences Abroad including Land—Increase \$76,950

This increase is due mainly to construction and improvement to chanceries and residences at a number of posts.

78—(16) Acquisition of Teletype Equipment—Increase \$48,140

This increase is caused mainly by the installation of machine cypher facilities at three of the busiest posts not yet mechanized, and provision for allocation of 2 miniaturized cypher units for each of five posts considered to be handling an excess volume of book cypher work.

78—(16) Procurement of Motor Vehicles and Other Equipment—Increase \$31,900

This increase results from replacement of 34 vehicles and purchase of 8 vehicles during the coming fiscal year.

85—ASSESSMENT FOR MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS—INCREASE \$289,464

	Increase \$	Decrease \$
United Nations Organization	—	3,855
Food and Agriculture Organization	25,594	—
International Labour Organization	25,650	—
U.N.E.S.C.O.	56,934	—
International Civil Aviation Organization	41,462	—
World Health Organization	20,631	—
International Atomic Energy Agency	32,439	—
Commonwealth Economic Committee	—	774
Commonwealth Shipping Committee	—	24
North Atlantic Treaty Organization (Cost of Civil Administration)	89,652	—
General Agreement on Tariffs and Trade	1,755	—
Total Increase	289,464	—

Food and Agriculture Organization—Increase \$25,594

This increase reflects an expected increase of 10% in the F.A.O. budget for 1959.

International Labour Organization—Increase \$25,650

As no information is yet available on the 1960 budget for I.L.O. the estimates is established on the basis of Canada's gross assessment to the 1959 budget.

U.N.E.S.C.O.—Increase \$56,934

This increase reflects an augmentation in UNESCO's budget for 1960.

International Civil Aviation Organization—Increase \$41,462

This increase is based on the 1959 budget of the I.C.A.O. plus an anticipated increase of 10% in the 1960 budget.

World Health Organization—Increase \$20,631

This item also reflects an anticipated increase in the 1960 budget of W.H.O.

International Atomic Energy Agency—Increase \$32,439

Since Canadian assessment to the Agency's Administrative Budget for 1960 has not yet been fixed, we have established the estimated assessment in an amount equal to our actual 1959 contribution.

North Atlantic Treaty Organization—Increase \$89,652

This increase arises from the past expenditure trends of the NATO Secretariat and the current and capital expenditures required for the operation of the NATO Civil Headquarters during the Canadian fiscal year 1959-60.

86—U.N. Expanded Programme for Technical Assistance to Under-Developed Countries—Decrease \$45,625

This decrease is due entirely to a more favourable rate of exchange. Our contribution to this programme has been kept at \$2,000,000 U.S. for the past 3 years.

87—U.N. Technical Assistance Administration Training Center at the University of British Columbia—Increase \$10,000

This is a new item. The Director General of the U.N.T.A.A. has proposed that Canada cooperate with the University of British Columbia and UNTAA in the establishment of a U.N. Regional Training and Recruitment Centre at the University of British Columbia. This Centre would have two major functions—to give continuing guidance and arrange training programmes for such technical assistance trainees as might be assigned to the centre by UNTAA and to assist in the recruitment of experts for the U.N. Technical Assistance Programme. It is estimated that UNTAA will contribute \$28,000 annually to the Centre. On recommendation of the Secretary of State for External Affairs, Cabinet approved a special annual grant of \$10,000 to the U.N. as Canada's contribution to this Centre for the fiscal years 1959-60, 1960-61, 1961-62.

88—U.N. Special Fund—Increase \$1,931,250

This is a new item. The U.N. Special Fund is designed to assist projects in the fields of resource surveys, technical training, demonstration, education, public administration, etc. The fund will concentrate on relatively large projects so as to avoid undue dispersion of its resources. Cabinet decided on September 30, subject to the approval of Parliament, that Canada would contribute \$2,000,000 U.S. for 1959-60.

90—N.A.T.O. Staff Assignment—Increase \$9,136

The increase here is caused by the addition of two assignees during the fiscal year 1959-60.

91—N. A. T. O. Science Fellowships—Increase \$42,545

This is a new item. NATO council has now received and agreed in principle to the Science Committee's recommendations regarding the Fellowships and the Studies Institutes programmes. The total cost of the programmes will be as follows:

Fellowships—\$1,000,000 in the first year increasing by this amount in each of the next three years.

Studies Institutes—\$150,000 in the first year increasing by \$50,000 per year until a figure of \$500,000 is reached.

Financial implications of these programmes for Canada are \$38,300 for Fellowships and \$5,760 for Studies Institutes, making a total of \$44,060 U.S.

92—N.A.T.O. Headquarters Buildings—Decrease \$161,827

It was expected that the entire project for NATO Headquarters Building would be completed in 1958. However progress during the year was somewhat slower than anticipated and October 1959 has now been set as the possible date of completion.

94—I.C.A.O. Quebec Income Tax—Increase \$1,500

This increase is based on known expenditures for 1958-59.

95—Pension to Miss Hilda L. Waddell—Increase \$412

This is a new item. Payment of a pension in the amount of 60,000 Brazilian Cruzeiros per annum to Hilda L. Waddell, a former locally-engaged employee, has been authorized by Treasury Board.

96—I.J.C.—Salaries and Expenses—Increase \$1,076

	Increase \$	Decrease \$
(1) Salaries	1,876	—
(4) Reporters' Fees	—	—
(5) Travelling Expenses	—	800
(7) Postage	—	—
(8) Telephones and Telegrams	—	—
(10) Advertising of Public Hearings	—	—
(11) Office Stationery, Supplies and Equipment	—	—
(22) Sundries	—	—
Total Increase	1,076	

97—I.J.C.—*Studies, Surveys and Investigations*—Decrease \$128,840

	Increase \$	Decrease \$
Canada's share of an Investigation on the matter of air pollution in the vicinity of Detroit-Windsor	—	7,090
Studies and Surveys of the Mid-Western Watershed	—	2,090
Canada's share of the expenses of the International St. Lawrence River Board of Control ..	—	—
Canada's share of the expenses of the St. John River Reference	—	—
Canada's share of the expenses of the St. Croix River Reference	—	—
Canada's share of the expenses of the proposed Alaska-Yukon River Reference	—	—
Canada's share of the expenses of the Passamaquoddy Tidal Power Reference	—	119,750
Canada's share of the expenses of the Publication of a Report on Water Pollution	—	—
Total Decrease		128,840

Canada's share of an Investigation on the Matter of Air Pollution in the vicinity of Detroit-Windsor—Decrease \$7,090

Reduction in staff has been carried out in conformity with the need for technical assistance.

Studies and Surveys of the Mid-Western Watershed—Decrease \$2,000

This decrease is due mainly to the question of the equitable apportionment of the waters of the Souris River being shelved temporarily.

Canada's Share of the Expenses of the Passamaquoddy Tidal Power Reference—Decrease \$119,750

The Engineering and Fisheries Board plan to complete their studies by November 1959 and the bulk of their work has now been completed. This accounts for the sizeable decrease in this item.

98—*Payment to Colombo Plan Fund—Increase \$15,000,000*

This increase was approved by Cabinet in September 1958, increasing Canada's contribution from \$35,000,000 to \$50,000,000 for the next three years.

99—*Assessment for Membership in I.C.E.M.—Decrease \$31,417*

This reflects a decrease in the operational budget of the Organization.

100—*Grant to the U.N. Refugee Fund—Increase \$90,000*

This increase is due to the decision of the U.N. High Commissioner for Refugees to implement a Camp Clearance Programme in 1959.

103—*Participation in the International Commissions for Supervision and Control in Indo-China—Decrease \$118,505*

	Increase \$	Decrease \$
(1) Salaries	—	41,050
(2) Allowances	—	27,380
(4) Professional and Special Services	—	—
(5) Courier Service	—	—
(5) Travelling Expenses	—	25,000
(6) Freight, Express and Cartage	—	1,000
(7) Postage	—	25
(8) Telephones, Telegrams and Other Communication Services	—	20,000
(11) Office Stationery, Supplies and Equipment	—	2,500
(12) Materials and Supplies	—	500
(19) Municipal and Public Utility Services	—	50
(22) Sundries	—	1,000
Total Decrease		118,505

103—(1) *Salaries—Decrease \$41,050*

This is caused by a reduction of 14 positions in the establishment.

103—(2) *Allowances—Decrease \$27,380*

This is also due to a reduction in the establishment.

103—(5) *Travelling Expenses—Decrease \$25,000*

This decrease results from a reduction of personnel being posted to Indo-China.

103(6) *Freight, Express and Cartage—Decrease \$1,000*

This decrease is made possible by a reduction in staff.

103—(8) *Telephones, Telegrams and Other Communication Services—Decrease \$20,000*

The telegraphic traffic for Indo-China has continued to show a decrease for the last year.

103—(11) *Office Stationery, Supplies and Equipment—Decrease \$2,500*

A decrease here is also due to staff reductions.

103—(12) *Materials and Supplies—Decrease \$500*

A reduction in the establishment also makes this decrease possible.

103—(22) *Sundries—Decrease \$1,000*

This decrease follows our pattern of expenditures for Indo-China.

104—*Technical Assistance to Commonwealth Countries Other than those Covered by the Colombo Plan or West Indies Assistance Programme—Increase \$365,000*

On September 7, 1958, Cabinet decided to extend the Canadian technical assistance programme to include areas of the Commonwealth not covered by the Colombo Plan or the West Indies aid programme.

105—West Indies Assistance Programme—Increase \$625,000

As it is now planned to proceed simultaneously with the construction of two ships during 1959-60 it is estimated that progress payments of \$975,000 per ship, for a total of \$1.95 million will be required, leaving the balance to accommodate a reasonable technical assistance programme and make provision for a modest start on other capital projects.

Appropriations not required for 1959-60	1959-60 \$	1958-59 \$	Increase \$	Decrease \$
To authorize and provide for fellowships and scholarships	—	42,700	—	42,700
To provide for the purchase of wheat and flour to be given to India, Pakistan and Ceylon to relieve food shortages	—	13,000,000	—	13,000,000
To provide for the purchase of flour to be given to the UNRWA for Palestine Refugees in the Near East	—	1,500,000	—	1,500,000
To provide for a contribution to the 1958 Fellowship Fund of the International Atomic Energy Agency	—	25,000	—	25,000
To provide for the expenses of the Commonwealth Trade and Economic Conference	—	225,000	—	225,000
Total Decrease				14,792,700

The following sheets contain the detailed comparative statements as follows:—

Appendix "1"—Comparison by Votes

Appendix "2"—Departmental Administration
Comparison by Primaries and Objects

Appendix "3"—Representation Abroad—Operational Expenses
Comparison by Primaries

Appendix "4"—Canadian Government's Assessment for Membership in
International Organizations

APPENDIX 1

DEPARTMENT OF EXTERNAL AFFAIRS

COMPARISON BY VOTES

Vote No.		1959-60	1958-59	1958-59	1957-58
		Main Estimates	Estimated Expenditures	Estimates	Expenditures
(S)	Secretary of State for External Affairs—Salary and Motor Car Allowance.....	17,000	17,000	17,000	13,128
A—DEPARTMENT AND MISSIONS ABROAD					
76	Departmental Administration.....	6,319,803	5,922,000	5,792,311	5,157,597
77	Representation Abroad—Operational....	9,606,439	8,854,126	8,747,405	8,036,575
78	Representation Abroad—Capital.....	1,565,405	1,042,638	1,412,688	1,244,097
79	To provide for Official Hospitality.....	40,000	40,000	40,000	37,087
80	To provide for Relief and Repatriation of Distressed Canadian Citizens abroad etc. (Part Recoverable)....	15,000	5,200	15,000	8,264
81	Canadian Representation at International Conferences.....	243,000	306,000	243,000	227,930
82	Grant to the United Nations Association in Canada.....	11,000	11,000	11,000	11,000
83	Grant to the International Committee of the Red Cross.....	15,000	15,000	15,000	15,000
84	Grant to the Canadian Atlantic Coordinating Committee.....	2,500	2,500	2,500	2,500
	Appropriation not required for 1959-60...	.....	42,700	42,700	112,529
		17,818,147	16,241,164	16,321,604	14,852,579
	Total, A—Department and Missions Abroad.....	17,835,147	16,258,164	16,338,604	14,865,707
B—GENERAL					
85	To Provide for the Canadian Government's Assessment for Membership in International (including Commonwealth) Organizations.....	3,838,519	3,775,678	3,549,055	3,226,545
86	To Provide for a Contribution to the United Nations Expanded Programme for Technical Assistance.....	1,931,250	1,947,500	1,976,875	1,933,491
87	United Nations Technical Assistance Administration Training Center at University of British Columbia.....	10,000			
88	United Nations Special Fund.....	1,931,250			
89	Contribution to the United Nations Children's Fund.....	650,000	650,000	650,000	650,000
		8,361,019	6,373,178	6,175,930	5,810,036

APPENDIX 1 —(Continued)

DEPARTMENT OF EXTERNAL AFFAIRS—Continued

COMPARISON BY VOTES—Continued

Vote No.		1959-60	1958-59	1958-59	1957-58
		Main Estimates	Estimated Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
90	To provide for Special Administrative Expenses, including Payment of Remuneration, in connection with Canadians on N.A.T.O. Strength.....	60,245	50,081	51,109	27,936
91	Canadian Government's Contribution to the NATO's Science Fellowships and Advanced Studies Institutes Programmes.....	42,545			
92	To Provide for a Further Contribution towards the cost of constructing the NATO Permanent Headquarters....	124,420	146,532	286,247	140,807
		227,210	196,613	337,356	168,743
93	To Provide I.C.A.O. with Office Accommodation.....	214,594	214,971	214,971	208,034
94	To Provide for a payment to I.C.A.O. in part reimbursement of compensation paid to its Canadian Employees for Quebec Income Tax for the 1958 taxation year.....	9,000	8,559	7,500	7,500
		223,594	223,530	222,471	215,534
PENSIONS AND OTHER BENEFITS					
(S)	Annuity to Mrs. Helen Young Roy.....	1,667	1,667	1,667	1,667
95	Pension to Miss H. L. Waddell.....	412	175		
(S)	Diplomatic Service (Special) Superannuation Act.....	39,933			
		42,012	1,842	1,667	1,667
INTERNATIONAL JOINT COMMISSION					
96	Salaries and Expenses of the Commission	112,124	109,648	111,048	102,985
97	To Provide for Canada's share of the Expenses of Studies Surveys and Investigations of the I.J.C.....	116,110	213,500	244,950	152,214
	Total—International Joint Commission.	228,234	323,148	355,998	255,199

APPENDIX 1—(Concluded)

DEPARTMENT OF EXTERNAL AFFAIRS—Continued

COMPARISON BY VOTES—Concluded

		1959-60	1958-59	1958-59	1957-58
Vote No.		Main Estimates	Estimated Expenditures	Estimates	Expenditures
TERMINABLE SERVICES					
98	Colombo Plan.....	50,000,000	35,000,000	35,000,000	34,400,000
99	Assessment for Membership in the Inter-Governmental Committee for European Migration.....	226,801	248,717	258,218	202,996
100	To Provide for a Grant to the United Nations Refugee Fund.....	290,000	200,000	200,000	200,000
101	Canadian participation in the work of the European Productivity Agency of the Organization for European Economic Co-operation.....	20,000	11,070	20,000	17,700
102	Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.....	500,000	500,000	500,000	750,000
103	To Provide for the Cost of Canada's Participation as a Member of the International Commissions for Supervision and Control in Indo-China.....	270,984	282,291	389,489	353,814
104	To Provide Technical Assistance to Commonwealth Countries other than those covered by the Colombo Plan or West Indies Assistance Programme.....	500,000	39,000	135,000	
105	West Indies Assistance Programme.....	2,100,000	116,000	1,475,000	4,034
	Appropriations not required in 1959-60..	.....	14,748,948	14,750,000	2,934,970
	Total Terminable Services.....	53,907,785	51,146,026	52,727,707	38,863,514
	Total B—General.....	62,989,854	58,264,337	59,821,129	45,314,693
SUMMARY I					
	Total—A—Department and Missions Abroad.....	17,835,147	16,258,164	16,338,604	14,865,707
	Total—B—General.....	62,989,854	58,264,337	59,821,129	45,314,693
	GRAND TOTAL.....	80,825,001	74,522,501	76,159,733	60,180,400
SUMMARY II					
	To be Voted.....	80,766,401	74,503,834	76,141,066	60,165,605
	Authorized by Statute.....	58,600	18,667	18,667	14,795
		80,825,001	74,522,501	76,159,733	60,180,400

APPENDIX "2" VOTE 76

DEPARTMENTAL ADMINISTRATION

COMPARISONS BY PRIMARIES AND OBJECTS

		1959-60	1958-59	1958-59	1957-58
	Primary	Main Estimates	Estimated Expenditures	Estimates	Expenditures
<i>Salaries (1)</i>					
Permanent Positions.....		3,518,096	3,025,000	3,305,948	2,879,840
Less—Positions which will probably be vacant due to staff turnover..		128,600		320,000	
TOTAL.....	(1)	3,389,496	3,025,000	2,985,948	2,879,840
<i>Allowances (2)</i>					
Allowances.....	(2)				583
<i>Professional and Special Services (4)</i>					
Legal Services.....				30,000	2,030
Press News Services.....		2,400	2,400	2,400	2,312
Other Professional and Special Services.....		9,000	5,600	13,000	6,479
Tuition and Examination Fees (Languages).....		2,000	1,000	2,000	1,415
TOTAL.....	(4)	13,400	9,000	47,400	12,236
<i>Travelling and Removal Expenses (5)</i>					
Travelling Expenses and Transporta- tion Costs.....		65,000	64,500	60,000	49,468
Removal and Home Leave Ex- penses.....		850,500	695,000	580,000	683,419
Courier Service.....		230,000	140,000	106,000	46,228
Local Transportation Costs.....			500		556
TOTAL.....	(5)	1,145,500	900,000	746,000	779,671
<i>Freight, Express and Cartage (6)</i>					
Freight, Express and Cartage.....	(6)	16,500	10,900	15,000	14,258
<i>Postage (7)</i>					
Postage.....	(7)	75,000	71,000	85,000	76,444
<i>Telephones, Telegrams and Other Communication Services (8)</i>					
Telephones.....		7,000	11,987	7,000	7,003
Telegrams, Cables and Wireless....		165,000	179,000	175,000	177,949
Rental of Teletype Equipment.....		214,940	261,440	255,440	96,732
Carriage of Diplomatic Mail.....		60,000	179,000	219,000	166,705
Grant to N.R.C.....		443,310	416,873	416,873	335,152
TOTAL.....	(8)	890,250	1,048,300	1,073,313	783,541

APPENDIX 2 VOTE 76—(Continued)

DEPARTMENTAL ADMINISTRATION

COMPARISON BY PRIMARIES AND OBJECTS

		1959-60	1958-59	1958-59	1957-58
	Primary	Main Estimates	Estimated Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
<i>Publication of Departmental Reports and Other Material (9)</i>					
"External Affairs" Monthly Bulletin.....		28,000	28,000	28,000	25,285
Canada Leaflet and Canada from Sea to Sea.....		25,000	60,000	40,500	603
Treaty Series.....		12,000	9,000	4,000	6,537
Other Publications.....		67,000	78,000	87,200	50,524
TOTAL.....	(9)	132,000	175,000	159,700	82,949
<i>Displays, Films and Other Informational Material (10)</i>					
Photographs.....		20,000	19,600	20,100	26,957
Other Informational Material.....		36,900	35,200	39,200	18,888
TOTAL.....	(10)	56,900	54,800	59,300	45,845
<i>Office Stationery, Supplies and Equipment (11)</i>					
Printing Office Forms, etc.....		129,742	141,907	113,250	62,320
Stationery, Office Supplies.....		92,000	76,797	90,000	66,666
Purchase of Office Equipment and Appliances.....		14,665	8,296	9,450	11,535
Subscriptions to Newspapers.....		7,500	7,000	7,000	7,016
Library Purchases.....		8,650	8,800	8,800	6,225
Microfilming.....		5,000	6,000	5,350	3,318
TOTAL.....	(11)	257,557	248,800	233,850	157,080
<i>Materials and Supplies (12)</i>					
Gas and Oil for Motor Vehicles.....		600	600	600	616
Publications for Distribution.....		30,500	30,200	36,000	25,563
Other Materials and Supplies.....		25,000	19,900	19,900	17,860
TOTAL.....	(12)	56,100	50,700	56,500	44,039
<i>Acquisition of Equipment (16)</i>					
Motor Vehicles.....		2,300			
Teletype Equipment.....		41,000	93,400	93,400	64,693
TOTAL.....	(16)	43,300	93,400	93,400	64,693
<i>Repairs and Upkeep of Equipment (17)</i>					
Motor Vehicles.....		1,400	1,400	1,400	1,666
Teletype Equipment.....		43,000	43,000	43,000	35,932
TOTAL.....	(17)	44,400	44,400	44,400	37,598
<i>Taxes on Diplomatic Properties in Ottawa Area (19)</i>					
Taxes on Diplomatic Properties in Ottawa Area.....	(19)	144,400	137,500	137,500	129,305

APPENDIX 2 VOTE 76—Concluded

DEPARTMENTAL ADMINISTRATION—Concluded

COMPARISON BY PRIMARIES AND OBJECTS—Concluded

		1959-60	1958-59	1958-59	1957-58
	Primary	Main Estimates	Estimated Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
<i>Sundries (22)</i>					
Profit and Loss on Exchange.....		5,000	5,000	5,000	2,466
Compensation for Personal effects lost in travel.....		5,000	3,200	10,000	691
Sundry Supplies and Services.....		45,000	45,000	40,000	46,358
TOTAL.....	(22)	55,000	53,200	55,000	49,515
GRAND TOTALS.....		6,319,803	5,922,000	5,792,311	5,157,597

APPENDIX 3—VOTE 77

REPRESENTATION ABROAD—OPERATIONAL EXPENSES

COMPARISON BY PRIMARIES

		1959-60	1958-59	1958-59	1957-58
	Primary	Main Estimates	Estimated Expenditures	Estimates	Expenditures
		\$	\$	\$	\$
Salaries and Wages.....	(1)	4,446,054	4,120,000	4,005,464	3,848,602
Allowances.....	(2)	2,926,105	2,625,000	2,554,436	2,428,656
Professional and Special Services.....	(4)	86,255	76,972	109,840	62,204
Travelling Expenses.....	(5)	108,105	121,440	104,905	76,484
Freight, Express and Cartage.....	(6)	79,100	77,000	54,445	62,328
Postage.....	(7)	60,540	59,000	60,540	53,195
Telephones, Telegrams and Other Communication Services.....	(8)	340,825	300,000	304,826	269,699
Office Stationery, Supplies and Equip- ment.....	(11)	191,735	155,000	160,850	143,128
Fuel for Heating and Other Materials and Supplies.....	(12)	196,650	135,000	180,880	135,312
Repairs and Upkeep of Buildings and Works.....	(14)	232,285	300,000	286,850	206,162
Rentals of Land, Buildings and Works	(15)	608,793	581,276	609,223	503,381
Repairs and Upkeep of Equipment...	(17)	120,475	115,000	120,475	77,019
Rental of Equipment.....	(18)	4,000	5,620	5,750	3,889
Municipal and Public Utility Services	(19)	123,705	108,140	110,610	91,317
Benefits, etc.....	(21)	44,136	37,354	39,376	31,961
Sundries.....	(22)	37,676	37,324	38,935	43,238
GRAND TOTALS.....		9,606,439	8,854,000	8,747,405	8,036,575

APPENDIX 4

CANADIAN GOVERNMENT'S ASSESSMENT FOR MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS

Organization	Year	Budget	Amount (less credits)	Percentage	Contribution of member States to 1959 budget
United Nations.....	1955	39,640,000 U.S.	1,438,932 U.S.	3.63%	U.S.A..... 32.51%
	1956	48,330,000 U.S.	1,433,930 U.S.	3.63%	U.S.S.R..... 13.62%
	1957	48,504,640 U.S.	1,527,897 U.S.	3.15%	U.K..... 7.78%
	1958	55,062,850 U.S.	1,591,350 U.S.	3.09%	France..... 6.40%
	1959	60,121,900 U.S.	1,707,401 U.S.	3.11%	China..... 5.01%
					Canada..... 3.11%
Food and Agriculture Organization (FAO)	1955	5,890,000 U.S.	335,141 U.S.	5.69%	U.S.A..... 32.51%
	1956	6,460,000 U.S.	297,806 U.S.	4.61%	U.K..... 10.29%
	1957	6,650,000 U.S.	306,565 U.S.	4.61%	France..... 7.51%
	1958	8,322,500 U.S.	347,049 U.S.	4.17%	Germany (Fed. Rep.)..... 5.60%
	1959	8,322,500 U.S.	347,049 U.S.	4.17%	Canada..... 4.17%
International Labour Organization (ILO).	1955	6,990,913 U.S.	270,206.11 U.S.	3.88%	U.S.A..... 25.00%
	1956	7,395,729 U.S.	235,021.49 U.S.	3.63%	U.K..... 10.08%
	1957	7,617,708 U.S.	256,357.67 U.S.	3.60%	U.S.S.R..... 10.00%
	1958	7,972,901 U.S.	268,203.00 U.S.	3.56%	France..... 6.10%
	1959	8,528,857 U.S.	261,416.00 U.S.	3.55%	Germany (Fed. Rep.)..... 4.34%
					Canada..... 3.53%
International Civil Aviation Organization (ICAO)	1955	3,223,100 Canada	126,463 Canada	5.00%	U.S.A..... 495 Units
	1956	3,313,451 Canada	128,409 Canada	4.80%	U.K..... 142 "
	1957	3,567,732 Canada	129,187 Canada	4.20%	France..... 109 "
	1958	3,492,901 Canada	125,492 Canada	4.20%	Germany..... 73 "
	1959	3,672,000 Canada	*179,975 Canada	4.13%	Canada..... 62

* Includes Canadian Government's assessment of \$28,199 for the 1957 and 1958 Supplementary Budgets.

APPENDIX 4—Concluded

CANADIAN GOVERNMENT'S ASSESSMENT FOR MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS—Concluded

Organization	Year	Budget	Amount (less credits)	Percentage	Contribution of member States to 1959 budget
U.N. Educational Scientific and Cultural Organization (UNESCO)	1955	9,491,420 U.S.	262,912 U.S.	2.77%	U.S.A. 30.74%
	1956	10,508,580 U.S.	291,088 U.S.	2.77%	U.S.S.R. 12.88%
	1957	11,069,811 U.S.	340,951 U.S.	3.08%	U.K. 7.36%
	1958	11,743,723 U.S.	314,194 U.S.	2.93%	France 6.05%
	1959	12,814,634 U.S.	376,733 U.S.	2.94%	China 4.74%
					Germany 5.04%
					Canada 2.94%
World Health Organization (WHO).....	1955	10,049,360 U.S.	300,280 U.S.	2.99%	U.S.A. 32.51%
	1956	10,778,824 U.S.	326,820 U.S.	3.06%	U.K. 920 Units
	1957	11,051,760 U.S.	382,940 U.S.	3.07%	U.S.S.R. 1644 "
	1958	14,411,160 U.S.	425,060 U.S.	2.95%	France 672 "
	1959	14,965,660 U.S.	434,730 U.S.	2.90%	Germany (Fed. Rep.) 501 "
					Canada 373 "
General Agreement on Tariffs and Trade (GATT)	1955	351,000 U.S.	15,000 U.S.	4.27%	U.S.A. 18.3 %
	1956	383,500 U.S.	16,250 U.S.	4.24%	U.K. 16.5 %
	1957	383,500 U.S.	16,250 U.S.	4.24%	Germany (Fed. Rep.) 8.0 %
	1958	430,600 U.S.	28,300 U.S.	6.58%	France 7.7 %
	1959	548,900 U.S.	35,130 U.S.	6.4 %	Canada 6.4 %
International Atomic Energy Agency (IAEA)	1958	4,089,000 U.S.	123,488 U.S.	3.02%	U.S.A. 32.51%
	1959	5,225,000 U.S.	149,371 U.S.	2.96%	U.S.S.R. 13.05%
					U.K. 7.30%
					France 5.33%
					China 4.80%
					Germany 3.98%
					Canada 2.96%

Canada, External Affairs, Standing Committee 1959

HOUSE OF COMMONS

Government
Publications

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

MONDAY, MARCH 16, 1959

ESTIMATES OF THE DEPARTMENT OF EXTERNAL
AFFAIRS—1959-60

WITNESSES:

Messrs. N. A. Robertson, Under-Secretary of State for External Affairs;
H. F. Clark, Director, Finance Division; J. H. Taylor, Executive
Assistant to the Under-Secretary; and K. Goldschlag, Director, Economic
Division II.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Argue,
Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,

Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,

Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, March 16, 1959.

The Standing Committee on External Affairs met at 10:35 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Miss Aitken, Messrs. Dinsdale, Fairfield, Herridge, Jones, Lennard, MacLellan, Macquarrie, Mandziuk, McCleave, McGee, Montgomery, Nugent, Smith (Calgary South), Vivian, and White. (16)

In attendance: Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; H. F. Clark, Director, Finance Division; J. H. Taylor, Executive Assistant to Under-Secretary of State for External Affairs, and K. Goldschlag, Director, Economic Division II.

The Chairman observed the presence of quorum and paid tribute to the memory of the late W. D. Matthews, Assistant Under-Secretary of State for External Affairs whose death occurred suddenly on Saturday, March 14, 1959.

The Under-Secretary of State for External Affairs, Mr. Robertson was called and answered certain questions asked at a previous meeting held Thursday, March 12, 1959.

The Chairman called the following items individually and after questioning of Messrs. Robertson, Clark and Goldschlag, they were adopted:

Item 87—Canadian Government's Contribution to the United Nations Technical Assistance Administration Training Centre at the University of British Columbia.

Item 88—Canadian Government's Contribution to the United Nations Special Fund.

Item 89—Contribution to the United Nations Children's Fund.

Item 90—North Atlantic Treaty Organization—Special Administrative Expenses.

Item 91—Canadian Government's Contribution to the North Atlantic Treaty Organization's Science Fellowships and Advanced Studies Institutes Programs.

Item 92—Further Contribution by the Canadian Government towards the cost of constructing the North Atlantic Treaty Organization Permanent Headquarters.

Item 93—To provide the International Civil Aviation Organization with office accommodation at less than commercial rates.

Item 94—Payment to the International Civil Aviation Organization in part reimbursement of compensation paid to employees.

Item 95—To authorize payment of a pension to Hilda L. Waddell.

Item 99—Canadian Government's Assessment for Membership in the Inter-Governmental Committee for European Migration.

Item 100—Grant by the Canadian Government to the United Nations Refugee Fund.

Item 101—Canadian participation in the work of the European Productivity agency of the Organization for European Economic Co-operation.

Item 102—Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

Item 103—Canada's civilian participation as a member of the International Commissions for Supervision and Control in Indo-China.

Item 104—Technical Assistance to Commonwealth Countries and Territories other than those eligible for assistance under the Colombo Plan or West Indies Assistance Program.

Item 105—West Indies Assistance Program.

The following items were called and allow to stand:

Item 96—International Joint Commission—Salaries and Expenses of the Commission.

Item 97—Canada's share of the expenses of studies, surveys and investigations of the International Joint Commission.

Item 98—Colombo Plan.

Agreed:— That additional information concerning Canada's contribution to various United Nations funds and agencies be provided to the committee at its next meeting.

The Committee reverted to further consideration of Item 76—Departmental Administration, and Mr. Robertson was further questioned. The item was allowed to stand.

Following remarks by the Chairman concerning the scheduling of future meetings and the preparation of the Committee's Report to the House, the Committee adjourned to meet again at 9:00 a.m. on Thursday, March 19, 1959.

J.E. O'Connor,
Clerk of the Committee.

EVIDENCE

MONDAY, March 16, 1959.

10:30 a.m.

The CHAIRMAN: Will you come to order, please gentlemen.

Before we proceed with our regular business this morning I should like to say a few words in tribute to the memory of Don. Matthews, who passed away suddenly on Saturday morning. As you recall, he was with us last Thursday and was apparently in pretty good health. We are, I am sure, all shocked at the news of his passing. In the past many years, Mr. Matthews has appeared before this committee and has explained the working of the Department of External Affairs, its operation and administration.

Mr. Matthews was born in Toronto on July 2, 1906. He attended the Royal Military College, Kingston, in 1923-24; the University of Toronto, graduating with a B.A., in 1929 and Osgoode Hall Law School in 1930-33. For a period in 1929-30 he was an attache at the Canadian Legation in Washington. After graduating from law school, he practised law in Toronto from 1933 to 1937. For the next year he was associated as a partner in a stock broking firm in Toronto. He came to Ottawa in 1939 as a supervisor in the Foreign Exchange Control Board, and joined the Department of External Affairs in April 1943 as Special Assistant to the Under-Secretary of State for External Affairs. He was appointed Assistant Under-Secretary of State for External Affairs in April 1947, and served as Minister at the Embassy in Washington from 1949 until his appointment as Minister to Sweden and Finland in October, 1952. He returned to Ottawa as Assistant Under-Secretary in September, 1955, and has served here since that date.

Mr. Matthews is survived by his wife and five children. The funeral services for Mr. Matthews will be held this afternoon at Christ Church Cathedral at 2:00 p.m.

It might be worth drawing special attention to the fact that Mr. Matthews was concerned particularly during his service in Ottawa with the personnel and administrative aspects of the department. It will be noted that he was directly concerned with the department's administration in the growth and development that accompanied the late war and early post-war years.

I know I am speaking on behalf of all members of this committee when I say that Don. Matthews will be sorely missed, and I am certain members of the committee will wish to associate themselves with the message of sympathy which I intend to send to Mrs. Matthews later this day.

Now we will proceed, unless there are any members who wish to say something in regard to the passing of Mr. Matthews.

Mr. HERRIDGE: Mr. Chairman, I do want to express on behalf of the group I represent our great regret on hearing of Mr. Matthews' unfortunate passing, and extend to his loved ones who are left behind our deepest and sincere sympathy.

The CHAIRMAN: Thank you. We will now go on with the regular business. I am going to call first on Mr. Norman Robertson. There were some questions asked at our last meeting which were taken as notice. He will answer those questions first and then I shall call item 87.

Mr. NORMAN ROBERTSON (*Under-Secretary of State for External Affairs*): The first question I wish to answer was asked by Mr. McGee. It was with

regard to the registration of lobbyists representing Canadian interests in Washington. I have furnished Mr. McGee with a copy of the latest quarterly return published in the Congressional Record, which does not break down the list of lobbyists into categories. I have not been able to identify all those who might be regarded as representing Canadian interests.

We have asked the Embassy in Washington if they can throw a little more light on the position. Under the requirements of registration, it does not appear on the face of the list which registered lobbyists may possibly represent some Canadian interest.

Mr. SMITH (*Calgary South*): Mr. Chairman, I believe that this is still only a fraction of the lobby as such which actually does function; and these, of course, are the registered lobbyists.

Mr. ROBERTSON: That is just a quarterly register.

The CHAIRMAN: Was that the only question outstanding?

Mr. ROBERTSON: There was also a question asked by Mr. Martin whether further representations had been made to the United States Government on the subject of oil import restrictions in the period between February 19 and March 10. I would just note that I had a telegram from our Ambassador in Washington regarding a conversation he had on March 2 with the Assistant Secretary of State in the State Department. The Ambassador told the Assistant Secretary there was no doubt about how seriously the introduction of this new scheme would be regarded in Canada.

Mr. SMITH (*Calgary South*): I did not quite follow you. Can you speak a little more loudly?

Mr. ROBERTSON: I was asked if there was a record of any representations made during a given period, February 19 to March 10 and I just read from a report by the ambassador of a conversation on March 2, in which he said he left the State Department in no doubt about how seriously the introduction of this new scheme for regulating oil imports would be regarded in Canada.

The CHAIRMAN: Are there any other questions? We will now pass on to item 87.

Item 87. Canadian Government's Contribution to the United Nations Technical Assistance Administration Training Centre at the University of British Columbia .. \$10,000

Mr. HERRIDGE: Mr. Chairman, what does that item cover particularly? Could we have some details in connection with it?

Mr. ROBERTSON: It is a contribution from the Government of Canada to a project sponsored by the United Nations Technical Assistance Administration of the United Nations in cooperation with the University of British Columbia, to establish a small training school at the University of British Columbia. I think the United Nations has two main objects in establishing this project: one is to train persons coming from other parts of the world in the work of technical administration; and the other is to create a centre for training its own experts in the supervision of the technical assistance programme.

I think this is a commitment for three years, of which this is the first vote.

The CHAIRMAN: Is the item carried?

Item agreed to.

Item 88. Canadian Government Contribution to the United Nations Special Fund in an amount of \$2,000,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1958, which is \$1,931,250

Mr. MONTGOMERY: Has there been any explanation of this? Maybe it has been given, but we did not hear it at this end of the room. What is this Special Fund?

Mr. ROBERTSON: I think Dr. Vivian made some explanation at our last meeting. It is a United Nations project for a capital fund for assistance to the less developed countries for development projects which they cannot carry out with their own resources. The plan before the United Nations envisaged a multilateral scheme of assistance which was supplementary to, and could in some cases take the place of, various bilateral schemes of assistance worked out between countries. It was your committee, was it not Dr. Vivian?

Mr. VIVIAN: Yes, sir. Mr. Chairman, I would like to make one or two observations in general, if I might. We are talking here of fairly substantial sums of money and I would like to explain the programme of technical assistance, and the Special Fund of \$2 million. There are other items in the estimates which are fairly substantial and I think the committee is entitled to obtain more information. There may be a good deal of confusion as to what the various functions of this Fund are.

There is a relationship here between the standard programme and special assistance.

There are the funds of the International Bank and a number of other funds, and now it was a matter before the recent session of the Assembly to create a better climate in some countries for private investment. I wonder whether it would not be useful if, before I make any comment on this at all—which would of necessity be brief—we could not get some factual information? I know the United Nations puts out some very well-prepared pamphlets; they have some very good ones on the Expanded Program of Technical Assistance. While I doubt if they have yet a pamphlet on the Special Fund, if the committee want this information I am sure the Under-Secretary could see it was supplied. I think it would be useful.

If it is the wish of the committee, then I would elaborate a little on this. It is an exercise which I think is extremely well done. A good deal of the success of this project I think rests with the Canadian representation which was made last summer at the meeting of the Economic and Social Council. That Council is one of the three main councils. The work of the Economic and Social Council at the Assembly is split into two departments. The first department deals with economic and financial matters and the second deals with human rights which are more a matter of social consideration than purely financial considerations.

Stemming from the General Assembly of 1957 there was great demand from a number of less-developed countries, notably India, for a very substantial capital fund. This became known as SUNFED. Those countries were looking for something in the vicinity of \$200 or \$300 million from which they could draw financial assistance to develop projects in their own countries on a multilateral basis. That is, they wanted a great deal of money from other countries pooled into this Fund, from which they could draw. (We must remember when we are considering the scale of our contributions through the United Nations, that other countries, such as the United Kingdom and France, are contributing a great deal of money to the under-developed countries directly through private investment.) This exercise, which went on during the winter meeting and summer meeting of the Economic and Social Council, produced a project known as the Special Fund, and the capital amount of this Special Fund is thought to be somewhere in the vicinity of \$40 or \$50 million.

We felt this was extremely important, to do two things: first of all, to make some capital available which would not otherwise be available from the Bank or other sources, and secondly to do things which the Expanded Programme of Technical Assistance could not do. I think a simple illustration of the point is this: You have technical assistance in order to provide irrigation; but where are you going to get the money to buy the pumps? That is a very simple illustration of the type of thing this Fund is used for; it is of a general nature.

The fund itself was not as well subscribed to as was hoped. I think the total amount rose to about \$26 million, did it not?

Mr. ROBERTSON: Yes.

Mr. VIVIAN: And, of course, there has been a good deal of, I will not say complaint, but rather disappointment in many of these countries which were asking for large sums which they could not get.

Arising from that, there has been the idea that there should be something further done which could come later in the form of a development fund of one kind or another. The United States are particularly interested in this and, indeed, they have contributed the most money. It was felt this would be a very good start to find out the best way to use this Fund, but to use it in relation to other sources.

Therefore I think it would be helpful to the committee if we could have some factual information on these various other programs, and we could look the whole thing through. I think this would be useful.

Mr. MONTGOMERY: This is available to under-developed country.

Mr. VIVIAN: There was a meeting of the Special Fund in February, I believe, and I have no particular information on that, Mr. Chairman. Have you any definite information concerning the meeting of the special fund in February? Was one held?

Mr. ROBERTSON: That is correct. I have here a descriptive pamphlet of the work of the Special Fund, by its managing director, Paul Hoffman. It has been supplied by the United Nations and we could send copies of the pamphlet to the members of the committee, if it would be helpful.

The CHAIRMAN: I think that would be very helpful. Does that meet with the approval of the committee?

Some hon. MEMBERS: Yes.

Mr. VIVIAN: Could we also have something on the Expanded Program and on the Banking and the Fund?

The CHAIRMAN: I was just discussing that very problem. I was wondering if it would meet with the approval of the committee if we called a witness from the United Nations Society so that he could give us any information that they have available. What are the thoughts of the committee on this?

Mr. SMITH (*Calgary South*): I assume that we do not have that information available to us at present—it is something you want?

The CHAIRMAN: Yes.

Mr. ROBERTSON: We could submit a memorandum from one of my colleagues explaining the status of the different international projects for capital assistance to under-developed countries and relate this to the work being done by other agencies.

Mr. JONES: I think, Mr. Chairman, it would be helpful if that could be done through the department, with the approval of the committee.

Mr. ROBERTSON: I will ask Mr. Goldschlag to deal with that at the next meeting.

The CHAIRMAN: I think that will meet the wishes of the committee.

Is it the wish of the committee and Dr. Vivian that this item be now passed? Do you wish it to be passed?

Mr. VIVIAN: I would be very pleased to see it passed.

The CHAIRMAN: Is that agreed?

Item agreed to.

Item 89 Contribution to the United Nations Children's Fund \$ 650,000

Mr. HERRIDGE: In what way is that fund being used at the present time? Have the circumstances changed over the years?

Mr. ROBERTSON: Yes. With regard to the problem of assistance, I think the fields of endeavour are shifting. But this money is being spent in refugee camps, supplementing the work of UNRWA in the Middle East. Dried milk distribution I think is one of the items. I am not too familiar with the actual program of work.

Mr. JONES: Is this the same fund as the emergency fund? Has the title been changed?

The CHAIRMAN: As I understand it—and Mr. Robertson will correct me—it supplements the emergency fund.

Mr. JONES: It supplements the emergency fund?

Mr. ROBERTSON: Yes. I have an itemized list of expenditure. It says that aid is now being given under 323 programs in 100 countries and territories, and the Canadian government is contributing at this scale, \$650,000 a year for the last three years.

The major contribution has always come from the United States, which has offered a matching grant, so it will equal all the contributions that come from other members of the United Nations.

The CHAIRMAN: Are there any further questions? Is the item carried?

Item 89 agreed to.

NORTH ATLANTIC TREATY ORGANIZATION

Item 90. Special Administrative Expenses including payment of remuneration, subject to the approval of the Governor in Council and notwithstanding the Civil Service Act, in connection with the assignment by the Canadian Government of Canadians to the international staff of the North Atlantic Treaty Organization (part recoverable from the North Atlantic Treaty Organization).. \$ 60,245

Mr. JONES: Do these people on the international staff supplied by Canada still retain their position with the Civil Service Commission?

Mr. ROBERTSON: Yes, their seniority is preserved, and their pension rights are preserved. This supplemental vote is to give them the same income and allowances as others in our organization. I think they are working with the NATO staff in Paris, and they would have the same income and allowances as if they were holding their rank in the Canadian embassy on our own staff. It is a terminable arrangement, usually for two or three years.

Mr. JONES: How do promotions come about on the international staff? Is Canada consulted with regard to our own nationals, or are we allotted positions for our own civil servants?

Mr. ROBERTSON: I think from time to time we are asked if we can make a man available for a particular slot in the organization. But on the question of promotion, I understood that would be the responsibility of the Secretary-General, who is in charge of the administration.

Mr. JONES: Would that be relating to questions of an increase in salary?

Mr. ROBERTSON: No, that would be negotiated. We have a man from our service, who has been a counsellor of our Embassy in Bonn, who came to take a quite senior administrative post in the headquarters in Paris. He was posted there, as far as we were concerned, at the same salary and allowances as if he had been posted in the Canadian government foreign service. But there was a NATO establishment for the job at less than our salary, because our salaries, like the American salaries, tend to run a good deal higher than most of the European salaries. The difference between the salary scales would be covered by appropriation, I would think.

The CHAIRMAN: Are there any other questions? Does item 90 carry?
Item 90 agreed to.

Item 91. Canadian Government's Contribution to the North Atlantic Treaty Organization's Science Fellowships and Advanced Studies Institutes Programs in an amount of \$44,060 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1958, which is \$ 42,545

Mr. JONES: Mr. Chairman, I wonder if at this stage the witness might give some brief review of the progress that has been made in the scholarship program of NATO? I notice that this particular item is a new one, but the general program of scholarships and fellowships has been in train for a few years now.

I wonder if we could have a report on that?

Mr. ROBERTSON: I understand that this is to finance the first instalment of a four-year program which has been studied and debated in NATO; but this is the first year in which it is taking effect. We have no progress report to make on how it has been carried out.

Mr. JONES: The other scholarship programs that have been carried out are not covered under this item, then? The NATO organization has been granting scholarships from time to time over the last three or four years.

Mr. ROBERTSON: Yes.

Mr. JONES: Not scientific, but more of the general type of scholarships. We have had some Canadians winning scholarships, for example, in connection with that program.

Mr. ROBERTSON: Yes. It is the scientific fellowship program that is new and for which finance is being requested this year. But the more comprehensive program includes grants in aid of fundamental research and also a program for an advanced studies institute. I think Mr. Wilgress is currently making a survey for the NATO council with regard to the status of the program.

I understand it contemplates an appropriation within the whole alliance of \$1 million for fellowships, and that the Canadian assessment under that would be \$38,300. There would be fellowships worth \$48,300 administered by Canada under the scheme.

The CHAIRMAN: I should have mentioned earlier, possibly, that we are now on page 8 of the detailed statement, and this is item 91. Does item 91 carry?

Mr. MACQUARRIE: Mr. Chairman, I wonder if I might ask what is envisaged by an advance studies institute? We tend to think of that as being something rather tangible, by way of mutation, perhaps, or structure. I am not altogether clear as to the distinction between those who would be functioning as a part of the institute and those who might be fellows under the fellowship plan.

Mr. ROBERTSON: I think the NATO educational program has had three main components. There has been the program for facilitating interchange of academic appointments, professorships, within the North Atlantic community. That is a program that has been under way, although slowly, for some years.

Then there were the arrangements for exchange of advanced scholarships. This particular program is for purely scientific scholarships. Then you have studies at universities within the North Atlantic community. They are supposed always to be related to the general objects of the NATO community.

I think it has been a subject of argument inside NATO as to just how practicable, just how concrete, it is to keep on integrating a program like that within the framework of the North Atlantic alliance.

I know the project for an institute of advanced studies is one which has been examined for two or three years within NATO and I do not think definite decisions have been taken about it yet. They had contemplated a centre where these advanced studies would be brought together.

Mr. MACQUARRIE: It is still being looked into?

Mr. ROBERTSON: Yes.

Mr. JONES: As I understand it, there are two proposals in respect of the Atlantic institution; one is being looked at within the NATO organization itself, and one is being discussed outside the governmental organization, it being felt that perhaps an institute of that nature, if it is outside the framework of the NATO organization, might be able to achieve certain ends and gain certain confidences with governments other than NATO. This would not be possible for an organization which was started by the alliance and which is regarded in some countries as being purely military.

At the NATO parliamentary association in 1957 and again in 1958, this question of the Atlantic institute came up and it will be discussed at the Atlantic congress in London this year; but the Atlantic institute envisaged there is one outside the formal framework of the NATO organization.

Mr. VIVIAN: Is this something which has arisen as a result of the activities of Senator Jackson's committee on scientific and technical training? I am attempting to bring out what Mr. Jones said about the possibility of there being an attempt to establish two bodies.

I am very interested to know the source of this project and whether or not it developed from Senator Jackson's committee on scientific and technical procedure, or whether it arose from a different committee.

Mr. ROBERTSON: I think it would be better if we made some inquiries and let you know as to the origin of this organization.

Mr. JONES: The original proposal put forward by Senator Jackson was quite broad and included a number of different fields. A resolution was subsequently narrowed down and made more specific. Therefore, as far as I can gather, this particular Atlantic study project that was mentioned did have its origination in forces other than Senator Jackson's resolution; but certainly Senator Jackson's resolution gave impetus on the scientific side.

The CHAIRMAN: Is it agreeable that the item carry and that a more full explanation of it will be given at our next meeting?

Items 91 to 94 inclusive agreed to.

Item 95. To authorize payment of a pension during the current and subsequent fiscal years, notwithstanding anything contained in the Financial Administration Act or any other Act or Law, to Hilda L. Waddell, a former locally-engaged employee, at an annual rate of 60,000 Brazilian cruzeiros, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1958, which is \$ 412

Mr. NUGENT: May we have an explanation of this item?

Mr. H. F. CLARK (*Finance Division, Department of External Affairs*): This is for a locally engaged person whom we have had for a considerable number of years on the staff of the Embassy at Rio de Janeiro. At various posts abroad, where it has been possible, we have established contributory pension funds, but in this particular case there was no such fund available for the person concerned and we are obliged to use this rather odd ad hoc way of dealing with this case until such a time as it is possible to establish a pension fund which would apply in similar cases.

Mr. SMITH (*Calgary South*): Has this been a continuing item for some time?

Mr. CLARK: No; this item represents the complete annual charge.

Miss AITKEN: Will this be brought up each year?

Mr. CLARK: Yes.

Miss AITKEN: What is so peculiar about this one person?

Mr. CLARK: We do not have a pension scheme which applies to these persons in the sense in which it would apply to permanent employees.

This woman, as a result of many years of service, was not able to be paid a pension and we were obliged in this instance to use this ad hoc way of dealing with it.

Mr. SMITH (*Calgary South*): You have had similar situations in past years where you have carried them on the same basis?

Mr. CLARK: Yes.

Mr. JONES: Do you expect this to be a developing situation and that more monies will be in the item in future years?

Mr. CLARK: No; it should be less. The pension funds are gradually being established to take over such problems.

The CHAIRMAN: I wish to make an announcement in respect of the International Joint Commission item. On Thursday, April 16, General McNaughton will be with us on this item. This item will stand until that time.

Mr. SMITH (*Calgary South*): What time will the meeting be held?

The CHAIRMAN: At 10:30 a.m. While I am mentioning dates of meetings, I might add that as I said earlier we will try to avoid meeting while the house is sitting. There has been considerable discussion about this. Of all the meetings held last year, only two meetings of this committee were held while the house was sitting.

Mr. LENNARD: If all the members of the veterans affairs committee walked out now, you would not have a quorum. Having these two meetings at one time is rather confusing.

Mr. SMITH (*Calgary South*): I would point out that on Thursday we have agreed to hold the Estimates committee following this. If you hold this meeting on Thursday at 10:30, you will run into the same situation again. Could you not hold it earlier than 10:30?

Mr. MCGEE: Mr. Chairman, is there not a committee which establishes some schedule on these matters, or does everyone just dive in?

Mr. SMITH (*Calgary South*): I thought we had worked out an arrangement between the Estimates committee and the External Affairs committee and through its secretary and instead of meeting at 10:30 on Thursdays we delay our meetings until 11:00 a.m. We meet from 11 to 12:30 a.m. But if this committee meets at 10:30, sixty members of the Estimates committee will have to make a choice of which committee they attend. It is a bit difficult.

Mr. MONTGOMERY: Could this committee not meet at 9:30?

The CHAIRMAN: It can start at 9:30 as far as I am concerned. Most of us are here for breakfast, or shortly thereafter. It is not possible for all committees to meet at 10:30 in the morning because of lack of committee rooms, and one thing and another. In trying to accede to the wishes of those who thought that 9 o'clock was too early we ran into this difficulty.

As I say, not all the committees can possibly meet at the desired hour. I would point out that this date, April 16, is a month away. Some committees may have completed their deliberations and some may not; I do not know.

We will take under consideration what has been said and attempt to work it out to the best advantage.

Item 98 stands.

Items 99 and 100 agreed to.

Item 101. Canadian participation in the work of the European Productivity Agency of the organization for European Economic Cooperation \$ 20,000

Mr. NUGENT: How much is the amount in this item?

The CHAIRMAN: \$20,000.

Mr. NUGENT: There is nothing in the details on that item. Could we have a word on that?

Mr. ROBERTSON: I could read a departmental note. It says: The European Productivity Agency, for which we are recommending continuation of \$20,000 annual grant is a subsidiary organization of the O.E.E.C., Organization for European Economic Cooperation, of which Canada like the United States is an associate member.

Item agreed to.

Item 102. Contribution to the United Nations Relief and Works Agency for Palestine refugees in the Near East \$ 500,000

Mr. VIVIAN: May we have an explanation of this situation? It has been going on for some time now.

Mr. ROBERTSON: This has been a long continuing item.

Mr. McGEE: It relates to the other item.

Mr. ROBERTSON: The earlier item is for the budget of the United Nations High Commissioner, whose main concern is with political refugees in Europe and the Far East.

The problem of the mass displacement of Arab refugees from Palestine after 1948 really was of a different order of magnitude entirely and under a separate administration. It has been a separate problem for the United Nations over these last ten years and is likely to be a continuing problem.

I might mention that, in addition to this sustaining grant for general expenses of administration, the government has made a large contribution in kind in the form of wheat flour for distribution.

Mr. SMITH (*Calgary South*): What portion of this was used in 1958-1959?

Mr. ROBERTSON: I would think, subject to correction, that it was entirely used. UNRWA are operating with resources which in the aggregate always fall short of what is needed. Other nations contribute unequally towards this. I think this is another of those things like the United Nations children's fund, where the United States has offered to supplement its direct contribution by a proportionate grant to match the additional contributions of other countries.

Mr. SMITH (*Calgary South*): Dealing with the total value, how do you determine the same amount will be used this year as last year? Or how do you consider it is sufficient?

Mr. ROBERTSON: Our department's representative and a representative of the Department of Finance keep in pretty close touch with the review of the administration of this by UNRWA. The general magnitude of this contribution seemed to be related to what Canada, the United States and the United Kingdom are doing for this purpose.

Mr. SMITH (*Calgary South*): You mentioned this is an unequal grant by the participating countries. Would you be able to give us an estimate of the proportion we contribute in relation to others? Is it substantial compared to others; is it lower, or what?

Mr. ROBERTSON: I have a breakdown on the relationship of our contribution. Since 1951, the annual rate of Canadian contribution has been between \$500,000 and \$600,000 per annum. This rate has been considered adequate relative to the contributions of other states, although the level of Canadian contributions has not been commensurate with the rate of the Canadian assessment for the administrative budget of the United Nations.

The other major contributors and their approximate total contributions since 1948 are: The United States, \$182.7 million; the United Kingdom, \$49.9 million; France, \$12.1 million; Australia, \$1.8 million and New Zealand, \$1.2 million. The total Canadian contribution over this same eight-year period comes to about \$7½ million.

Mr. McGEE: What has been the increase in population in this group? It has been increasing, I understand.

Mr. ROBERTSON: Yes. The children born in the refugee camps keep the total numbers who are dependent on UNRWA up to about the figure they first reached in 1948-1949.

Mr. SMITH (*Calgary South*): You mentioned Canada's contribution was \$7.2 million.

Mr. ROBERTSON: That is the cumulative total.

Miss AITKEN: Is this money used mostly to buy food?

Mr. ROBERTSON: Food, medical care, and camp administration, but basically food on a pretty meagre ration.

Mr. NUGENT: Do I gather from your remarks that the same group of people has been maintained at about the same level in camps over all these years, that we have not been able to find any place to put them, and so none of this money is for the purpose of settling them elsewhere? It merely maintains them in camps during all this time.

Mr. ROBERTSON: The great bulk of the expenditure is for maintenance and training programs, but in the aggregate it has not developed any major reduction. The problem has to be set against the political background in the Middle East; it does not present the same problems of placement and relocation as do the refugees who are in the care of the United Nations High Commissioner for refugees.

Mr. SMITH (*Calgary South*): This is a sustained grant. Is there any likelihood in the immediate future of seeing anything other than a small reduction? It looks as though it will be maintained at some length.

Mr. McGEE: Is there not some indication it will increase?

Mr. ROBERTSON: I do not think it is likely to increase, but I could not honestly say that I can see any early end to this problem.

Miss AITKEN: Does Israel contribute to it?

Mr. FAIRFIELD: Does Israel not have their own refugee camps on their own side of the border?

Mr. ROBERTSON: I am informed that Israel does not contribute to UNRWA.

Mr. NUGENT: I am wondering about this, Mr. Chairman. I can see a lot of money being spent on relief, but is it not supposed to be for rehabilitation? I am endeavouring to find out whether or not there is in fact any of this money being spent for rehabilitation. The problem has been there and unresolved for twelve years. It is simply relief.

Mr. McCLEAVE: By co-operation between UNESCO and UNRWA some of the money is spent in connection with the education of the child population.

Mr. NUGENT: When they are educated and grow up, is there any place for them to go except these camps? Considering the substantial sums of money involved, perhaps it would be better if it were all lumped together and presented to one government. With this number of people we will have this amount for a number of years.

Mr. ROBERTSON: You cannot separate this relief problem from the political background on which it rests. This is the most serious difficulty in the whole Middle East. If there was stabilization of the Middle East position, one of the first results would be the settlement of the refugee program. At the present time it is not a program in which you can make much progress.

Mr. SMITH (*Calgary South*): In other words, it is a contribution which has been perhaps responsible for stabilizing the situation there; and also from a dollars and cents standpoint you have to recognize that that is a contribution which it is really making.

Mr. ROBERTSON: It is one of the costs.

Mr. JONES: Last year we went into this very thoroughly. I am wondering whether since our last meeting there have been any significant developments or changes in the situation, or offers for new schemes for rehabilitation, in connection with this subject.

Mr. ROBERTSON: No. I would say there has been a good deal of discussion with many countries concerning the problem, notably at the last session of the United Nations; but I think it is generally recognized that this was a problem with which we have to live, and carry on.

Mr. SMITH (*Calgary South*): I would like to ask a final question: how do you arbitrarily arrive at a figure of \$7.2 million as compared to \$14 million, or in the case of the United Kingdom, \$50 million. How is that decided?

Mr. ROBERTSON: Assessment for membership in our case is something around 3 per cent of the total cost. It is recognized there is a group of countries which have to make a contribution; some countries feel they have to pay more than others.

Mr. SMITH (*Calgary South*): Is this based on the standard formula under which United Nations contributions are generally made, in relation to the ability of the country to pay?

Mr. ROBERTSON: Well, you have to qualify that. Some countries respond more generously than others. Some countries are not particularly worried if a problem like this is allowed to go on festering; other countries feel that if they do not help out, it could get worse.

Item agreed to.

Item 103 agreed to.

SPECIAL

Item 104. Technical assistance to Commonwealth countries and territories other than those eligible for assistance under the Colombo plan or West Indies assistance program \$ 500,000

Mr. JONES: Mr. Chairman, this is a substantial increase. Could we have a statement on that vote.

The CHAIRMAN: Yes, there is an increase of \$365,000.

Mr. McGEE: Where is this designated? Is there a reference breakdown?

Mr. ROBERTSON: It is primarily for assistance in Ghana. It is a residual vote, in a way, which is available for assistance to countries of the Commonwealth which are not within the scope of the Colombo plan nor, I gather, the special arrangements made to help the British West Indies. Although it is not itemized by particular countries, it is primarily for technical assistance to Ghana. However, it is also available for similar assistance to other African countries; and I am told that Nigeria will receive some assistance this year.

Mr. NUGENT: Why do they not come under the Colombo plan?

Mr. ROBERTSON: The Colombo plan was devised to create a method of assisting countries in a particular geographical region; first, countries within the Commonwealth, and then other neighbouring countries in that same area with similar problems were brought within the scope of the Colombo plan. The problem of developing countries in Africa is different again and has to be met by other similar projects, as in the case of the West Indies.

Mr. NUGENT: It is then a geographical matter.

Mr. ROBERTSON: Yes.

Item agreed to.

SPECIAL

Item 105. West Indies assistance program \$2,100,000

Mr. JONES: That, Mr. Chairman, is a very welcome increase. In view of the formation of the federation, there is an increased interest in Canada over recent years in regard to the success of the British West Indies. A short statement of the program might be of interest to the committee and to people in general.

Mr. K. GOLDSCHLAG (*Head, Economic Division II*): Mr. Chairman, the amount listed under the vote is in a sense an arbitrary one. It is part of the government's undertaking given at the Commonwealth trade and economic conference at Montreal to make available, subject to parliamentary approval, a total of \$10 million to the West Indies over a three-year period. The \$2,100,000 item is in a sense the best judgment we can form at this stage as to what may reasonably be spent in the current fiscal year.

The main item of this particular program will be the building in Canada of two ships for inter-island services in the West Indies. As the minister explained in the house in the context of the external affairs debate, the meaning of these ships to the West Indies federation as such will be something like the meaning of the transcontinental railway for Canada.

Apart from this item, which may take up to between two-thirds and three-quarters of the total cost of the program, there will be a good deal of technical assistance and a number of modest projects for which the federation have asked, including, for example, a survey of port and harbour development. That would take up between \$2½ million and \$3 million of the program. It is expected the ships are likely to be laid down in the course of 1959-60, and it would take something like eighteen months or so to complete.

Item agreed to.

The CHAIRMAN: We are indebted to Mr. Goldschlag for giving this statement to us.

This concludes the study of the estimates, except for those items that have been set aside.

Mr. SMITH (*Calgary South*): Is the general item still being held open?

The CHAIRMAN: Yes.

Mr. SMITH (*Calgary South*): I wonder if you are able to advise offhand the volume of trade which Canada does with Venezuela. Is it between \$14 million and \$20 million?

Mr. ROBERTSON: Do you mean our exports there?

Mr. SMITH (*Calgary South*): Yes.

Mr. ROBERTSON: The figure you mentioned strikes me as being a reasonable one, but I have not the exact figure at this time.

Mr. SMITH (*Calgary South*): I am referring to the volume of export trade to Venezuela.

The CHAIRMAN: Yes. Gentlemen, the estimates of the International Joint Commission will be before us on April 16; and in connection with the Colombo plan we will have Dr. Ault before us on Thursday, March 19, at 9 a.m.

I want to advise all members of the committee that I would be interested in having from them any suggestions or contributions in regard to the writing of this committee's report. Last year I think it was a case of "let George do it" and, consequently, we did not receive any contributions. I hope this year there will be suggestions forthcoming as to what might or might not be included in this report.

There will be a meeting of the steering committee in my office, room 353S, directly after this meeting.

Mr. McGEE: I wonder if we could obtain from someone a review of Canada's foreign aid contributions, development contributions, and so on. If you like, they could be summarized, but it would be set against what is known generally as Russia's economic offensive. Surely one of the major motivations in our foreign aid assistance and development program is to contribute our part in reply to the Soviet economic war, as it has been called. I wonder if a statement might be prepared putting this in context and comparing the relative effectiveness of our program as a component of the West.

The CHAIRMAN: I think Mr. McGee's suggestion is good one. I understand some of Mr. Goldschlag's work has to do with this. He will be present when Dr. Ault is here in connection with the Colombo plan; and we will see if we can have that summary for you at that time.

Mr. JONES: As it is a very interesting suggestion, perhaps figures from other NATO countries might be added. Would it be possible at the same time to underline the great disparity in favour of our side in regard to contributions that have been made, in comparison with actual Russian aid, as opposed to their aid as set out in publicity?

Mr. ROBERTSON: I think we can produce the statistical material for such a comparison.

HOUSE OF COMMONS

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Second Session—Twenty-fourth Parliament

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1959

E91

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

MONDAY, APRIL 13, 1959

ESTIMATES OF THE DEPARTMENT OF EXTERNAL
AFFAIRS—1959-60

WITNESSES:

Mr. K. Goldschlag, Director, Economic Division II, Dept. of External Affairs; Dr. O. E. Ault, Director, Economic and Technical Assistance Administration, Dept. of Trade and Commerce assisted by Messrs. D. Bartlett, Chief of Planning; F. E. Pratt, Capital Projects; J. H. Marshall, Finance and Administration

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Argue,
Cardin,
Crestohl,
Dinsdale,
Dorion,
Eudes,
Fairfield,
Garland,
Hellyer,
Herridge,

Jones,
Jung,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macnaughton,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,

Montgomery,
Nesbitt,
Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian,

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, April, 13, 1959.

The Standing Committee on External Affairs met at 11.00 a.m. this day. The Chairman, Mr. White, presided.

Members present: Miss Aitken, Messrs. Crestohl, Dinsdale, Fairfield, Garland, Herridge, Jones, Kucherepa, Lafrenière, Lennard, MacLellan, Mandziuk, Martin (*Essex East*), McCleave, Montgomery, Nesbitt, Richard (*Ottawa East*), Smith (*Calgary South*), and White. (19)

In attendance: Dr. O. E. Ault, Director, Economic and Technical Assistance Administration, Dept. of Trade and Commerce; Mr. D. Bartlett, Chief of Planning; Mr. F. E. Pratt, Chief of Capital Projects; Mr. W. D. Mills, Chief of Technical Co-operation; Mr. J. H. Marshall, Chief of Finance and Administration; Mr. K. Goldschlag, Director, Economic II Division, Department of External Affairs.

The Chairman observed the presence of quorum and called upon Mr. Goldschlag to answer certain questions asked at previous meetings.

The following series of statistical tables were presented to be printed as appendices to the Committee's record and copies were distributed to members of the Committee.

1. Canada's Post-War Financial Assistance Abroad 1945-1960. (*See Appendix 1*)

2. International Economic Aid to Under-developed Countries 1953/54-1955/56 and 1956/57 By Contributing Country or Agency. (*See Appendix 2*)

3. Contributions of Governments to International Technical Assistance and Relief Agencies 1957. (*See Appendix 3*)

4. Estimated Sino-Soviet Bloc Credits and Agreements with Less Developed Countries—including Military Credits. (*See Appendix 4*)

Copies of a booklet entitled "The Expanded Programme of Technical Assistance for Economic Development of Under-Developed Countries" and the "Seventh Annual Report of the Consultative Committee of The Colombo Plan for co-operative economic development in South and Southeast Asia" were also distributed to Members.

Following Mr. Goldschlag's questioning, the Chairman called Item 98—Colombo Plan and introduced Dr. Ault.

Dr. Ault assisted by Messrs. Pratt and Bartlett answered questions relating to the Colombo Plan in general and certain of its operations in particular.

The following statistical summaries were ordered to be printed as appendices to the Committee's Record and copies were distributed to Members:

1. Canadian Colombo Plan Assistance—Financial Statement. (*See Appendix "A"*)

2. West Indies and Ghana Assistance Programs—as at December 31, 1958. (*See Appendix "B"*)

STANDING COMMITTEE

3. Colombo Plan Capital Assistance Projects—Ceylon—India—Pakistan—Other Countries 1951/52-1958/59. (*See Appendix "C"*)

4. Statistical Summary of Technical Co-operation Program—1950-58. Item 98—Colombo Plan—was adopted.

At 1.00 p.m. the Committee adjourned to meet again on Thursday, April 16, 1959.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

MONDAY, April 13, 1959.
11.00 a.m.

The CHAIRMAN: Gentlemen, if you will come to order. Quite some time has elapsed since our last meeting, but you will recall at that time some questions were being asked for a breakdown in the comparison of the amount of communist aid that actually was being supplied to the underdeveloped countries, in comparison with our own.

We have with us today Mr. Goldschlag, and he has prepared a statement which is being distributed to the members. There were some other questions asked regarding the monetary fund and special fund, United Nations technical assistance. So without further delay I will call on Mr. Goldschlag.

Mr. K. GOLDSCHLAG (*Economic Division, External Affairs*): Thank you, Mr. Chairman. Might I say one or two words about these tables, which I am afraid do not fully meet the committee's concern to see on paper something that compares Western aid with aid from the Soviet bloc countries. The difficulty has been that, while the United Nations has undertaken a comparative survey of economic aid, the countries of the Soviet bloc have not submitted data, and this has made comparison a little difficult.

The second table we have here, called "International economic aid to underdeveloped countries," you will note, has no figures at all for aid from Soviet bloc countries. However, the last table represents the latest position, so far as one is able to ascertain it, of what aid is being made available, or has been made available, to underdeveloped countries by the Soviet bloc.

I would like to say a few words about the table, which will help you to put it in better perspective. The first point is that it is really cumulative from about 1954—that is to say, from about the time when the countries of the Soviet bloc first embarked on economic aid programs—and it goes up to March, 1958.

The second point that should be made is that the amounts that have actually been drawn are a good deal smaller than the figures presented in this table. Out of the total of about \$2.3 billion, the actual amounts drawn are probably not in excess of \$900 million; and of that about half would be military aid.

The third point I would like to make in connection with the total is that virtually all of this assistance has been in the form of credits; that is to say, the delivery of Soviet bloc goods on credit. This makes it a little difficult to compare Soviet bloc aid with western aid, which has been largely—but not exclusively, of course—supplied in the form of grants. Of this table, about two-thirds is aid made available by the Soviet Union, and the rest is aid made available by Eastern Europe and China. Again, about two-thirds of the total amount—say, \$1.6 billion—is economic aid, and one-third, about \$800 million, is military aid.

In looking over the table, the members of the committee will note that the aid has been very largely concentrated in what used to be six countries and, with the formation of the United Arab Republic, has become five countries; namely, the United Arab Republic, India, Indonesia, Afghanistan and Iraq.

I might just say one final word about the table which will enable the members of the committee to compare these orders of magnitude with the

aid that has been made available by the United States. Taking the countries on this table, and the same period represented by Soviet aid, the aid made available by the United States is just about double that made available by the Soviet bloc. This, it should be borne in mind, is a very select list of countries, and it has been selected for the fact that it is countries where the Soviet bloc have thought it expedient to give economic aid. But even this selected group of countries shows that United States aid, over the same period to the same countries, has been about double the aid from the Soviet bloc as a whole.

I think, Mr. Chairman, if it meets the convenience of the committee, I would leave this subject at this stage, and it may be that after Dr. Ault has spoken to the committee there may be some general discussion about the subject of aid from the Sino-Soviet bloc.

The CHAIRMAN: Does that meet with the approval of the committee?

Son. hon. MEMBERS: Agreed.

The CHAIRMAN: I should probably ask at this point the agreement of the committee to having these tables, and the other tables that Dr. Ault will present printed in today's evidence. Is it agreed?

Some hon. MEMBERS: Agreed.

Mr. GOLDSCHLAG: Then, Mr. Chairman, the other point that was left over from the last meeting of the committee was to define briefly what were the respective spheres of operation of the International Monetary Fund, the International Bank, the United Nations expanded program of technical assistance and the Special Fund. In the meantime we have been able to circulate booklets on each of these four organizations, and I think perhaps all I have to do is to point up very briefly in what respect the operations of these organizations differ.

The international monetary fund has, broadly, two purposes: to create exchange stability and to facilitate the expansion of the volume of world trade. For this purpose the international monetary fund is able to provide member countries with two forms of aid credits and stand-by credits.

Credits are short-term credits designed to enable countries to tide them over short-term balance of payments difficulties while longer term remedies—monetary and fiscal remedies—begin to operate through the economy. They are not for the purpose of providing capital for long-term economic development.

To illustrate it very briefly: suppose Ceylon finds that in a particular year export revenues from tea fall very much below expected levels and orders for development goods are at such a level that a fairly substantial balance of payments arises. Ceylon would then be able to go to the international monetary fund and make a case for short-term accommodation. This is different from the operation of the international bank, which would be able to supply Ceylon with long-term credit, say, extending over as much as 25 years, for essential economic development purposes. The bank is operated mainly in what might be called the field of basic capital services. Or, to use a word of modern jargon, economic infrastructure. In other words it has extended loans for such things as hydro electric development, the improvement of transportation, agriculture, industry—the sort of projects that in the long term help economic growth to become self-sustaining.

Both the international monetary fund and the international bank, however, have extended technical assistance to member countries, in the sense that they have available the facilities and the staff to help countries to plan their economic development policies over a long-term period.

Apart from these two organizations, the United Nations expanded technical assistance program is really confined to the provision of experts and the

accommodation in the different member countries of various scholars, fellows and trainees from underdeveloped countries.

Mr. CRESTOHL: Before leaving the question of the international bank and the international monetary fund, am I right in believing that Canada's contributions like the contributions of other countries to this fund, are purely in the way of loans and not outright gifts?

Mr. GOLDSCHLAG: These are subscriptions to the capital structure of the two organizations.

Mr. CRESTOHL: And which, at some time, Canada can expect to recover.

Mr. GOLDSCHLAG: This would be on the assumption that the operation of either of these organizations would ever come to an end.

Mr. CRESTOHL: I am trying to understand the difference between an outright gift—as we give in some cases of aid—and money merely advanced, loaned or financed, as in this case.

Mr. GOLDSCHLAG: It is a subscription to operating capital. One of the differences between these organizations and, for example, the United Nations expanded program of technical assistance where subscriptions are on the basis of voluntary contributions from year to year is, that these, of course, are not returnable.

Mr. CRESTOHL: Those are gifts?

Mr. GOLDSCHLAG: Yes, those are gifts.

Mr. CRESTOHL: That is the difference I wanted to have explained.

Mr. GOLDSCHLAG: As I said, the United Nations expanded program of technical assistance does not really enter to any extent the capital development field. It is because of this limitation and, as members of the committee will be aware, of the impetus that has been for many years behind the establishment of SUNFED—the special United Nations fund for economic development—that this year the special fund of the United Nations is coming into operation. It is a compromise, as it were, between a very large capital development fund and the technical assistance program.

Mr. MARTIN (*Essex East*): What is the total of the SUNFED fund—two hundred and fifty or five hundred? What is the total of the program?

Mr. GOLDSCHLAG: Mr. Chairman, there is no SUNFED program at the present time.

Mr. MARTIN (*Essex East*): I think there was an agreement at the last assembly.

Mr. GOLDSCHLAG: The special fund?

Mr. MARTIN (*Essex East*): The special fund.

Mr. GOLDSCHLAG: The subscription for the current year is just in excess of \$26 million. This figure is a little below the original expectations. For example, the United Nations technical assistance program will make available some modest equipment and supplies when it is indispensable, say, to the assignment of an expert, but it does not have funds to provide equipment on a larger scale.

We are told that the special fund will be concentrated largely in what one might call preliminary economic development projects, surveys of resources and manpower, the establishment of technical and other training institutions, research centres, demonstration plants and so forth. Like the United Nations technical assistance program, the fund will operate on the basis of annual voluntary contributions. I might add that Canada has contributed \$2 million for the first year of the fund's operations, which is 1959, and the Canadian contribution to the expanded program of technical assistance is also \$2 million for the current year.

The CHAIRMAN: Are there any questions gentlemen?

Mr. MARTIN (*Essex East*): So the original objective was not \$500 million?

Mr. GOLDSCHLAG: I believe it was \$100 million for the special fund. This was the general figure which was talked about.

Mr. MARTIN (*Essex East*): Are you sure of that?

Mr. GOLDSCHLAG: Not for the SUNFED.

Mr. MARTIN (*Essex East*): The SUNFED was five hundred and fifty.

Mr. GOLDSCHLAG: I believe that is right.

Mr. MARTIN (*Essex East*): Was that not cut down to two hundred and fifty, and then finally abandoned?

Mr. GOLDSCHLAG: As I said, I believe that the special fund, which is beginning to operate this year, was very much of a compromise between the ideas for a SUNFED and the limitations of the current technical assistance program.

I do not think it is being regarded by the underdeveloped countries as a substitute for the SUNFED proposals.

Mr. JONES: Well, I think probably, Mr. Chairman, after a small amount was spent on the present situation in regard to the special fund in SUNFED it was found not to be acceptable.

Mr. GOLDSCHLAG: It is not, perhaps, that it was found not to be acceptable. I think probably the scale of effort that would be required under SUNFED is such that the general contention of countries such as the United States, for example, has been that only savings from disarmament would really yield funds at the kind of level which would make it possible for SUNFED to be established, and to do the sort of things which the underdeveloped countries expected it to do, which is really more or less to operate on roughly the scale of the international bank, but on a grant rather than on a loan basis, and to tackle the sort of projects which it would not be possible for the international bank to tackle, such as in the field of what is normally regarded as social capital.

Mr. JONES: Is the special fund merely a reduction in size of the original SUNFED or are the objective altered?

Mr. GOLDSCHLAG: It is a reduction in size, but it is not intended really, as I have tried to suggest, to take the place of SUNFED which, when the conditions are right, I assume may yet be established. This is really to tackle a situation which may arise where there are good projects not monumental but of a fair size which, under its existing rules, the technical assistance program cannot undertake, but which are nonetheless helpful to underdeveloped countries, first of all in enabling them to assess the basis of their own economic development such as resource surveys and manpower surveys; and secondly, having been undertaken, might help to attract private capital for investment purposes.

Mr. MARTIN (*Essex East*): Would it offer assistance in the form of technical assistance?

Mr. GOLDSCHLAG: No, it may not be confined to technical assistance; and it is in this respect the special fund is intended to go beyond the technical assistance programme. For example, it will enable the establishment of training institutes. In other words, it is a physical plant of a training institute.

Mr. MARTIN (*Essex East*): But there would be no capital projects?

Mr. GOLDSCHLAG: Well, for example, resources surveys; not in the sense of a major capital project.

Mr. MONTGOMERY: Would these funds have to be maintained by an annual contribution?

Mr. GOLDSCHLAG: Yes.

Mr. MONTGOMERY: How many countries of the United Nations have contributed?

Mr. GOLDSCHLAG: To the special fund?

Mr. MONTGOMERY: Yes.

Mr. GOLDSCHLAG: All I know is that the sum for this year is just over \$26 million, and I assume that the countries that have subscribed would be largely the countries that have also subscribed to the technical assistance program; they number 85. So it is a fairly broadly based contribution. I could not be sure that all the countries which have subscribed to the technical assistance program have also subscribed to the special fund.

Mr. MARTIN (*Essex East*): Are we giving any assistance now under the Colombo plan by way of loans rather than outright grants?

Mr. GOLDSCHLAG: I believe this is a question Dr. Ault will answer, but I do not believe we have given any assistance by way of any loans under the Colombo plan.

Mr. MARTIN (*Essex East*): Have any other Colombo plan countries given loans rather than grants?

Mr. GOLDSCHLAG: Not that I am aware of.

Mr. MARTIN (*Essex East*): Has not the American government proposed that?

Dr. AULT: Yes.

The CHAIRMAN: We will be calling item 98, the Colombo plan, later. Are there any other questions arising out of Mr. Goldschlag's statements?

Mr. MARTIN (*Essex East*): Where would estimated Sino-Soviet bloc credit arrangements come?

The CHAIRMAN: There was a question directed at the last meeting in regard to the comparison of the contributions of the western world and the communist countries relevant to assistance to underdeveloped countries. Mr. Goldschlag has prepared a statement for us this morning.

Mr. MARTIN (*Essex East*): But the question based on this would have to be addressed to Dr. Ault.

The CHAIRMAN: No, Mr. Goldschlag.

Mr. MARTIN (*Essex East*): I notice you have United Arab Republic here; I presume that the assistance given to the UAR was by way of military credits.

Mr. GOLDSCHLAG: Not entirely; about one-half of this was by way of military credits, the rest has been by way of development credits.

Mr. MARTIN (*Essex East*): None of that covers credits for the purchase of wheat.

Mr. GOLDSCHLAG: For Soviet wheat?

Mr. MARTIN (*Essex East*): For the purchase of wheat.

Mr. GOLDSCHLAG: I do not believe it does. For example, it would not cover barter transactions, wheat against cotton.

Mr. MARTIN (*Essex East*): I see there is now a proposal before the Congress of the United States for credits to the UAR in regard to wheat. Are we contemplating anything of that kind?

Mr. GOLDSCHLAG: I am not aware of it, Mr. Chairman.

Mr. MARTIN (*Essex East*): We had previously turned down credits to Egypt for the purchase of wheat and I was wondering what the situation is now?

Mr. GOLDSCHLAG: I am not aware, Mr. Chairman, of any proposal to make credit available to the United Arab Republic for the purchase of wheat.

Mr. JONES: Mr. Chairman, in respect to the estimated assignment of Soviet bloc credit, could Dr. Goldschlag furnish us with some data in connection with that?

Mr. GOLDSCHLAG: Only to some extent. Credit to Afghanistan initiated this program. Iraq is obviously the very latest in this program. There was an economic aid agreement concluded between the Soviet Union and Iraq last month providing for about the equivalent of \$137 million worth of economic aid. There was an agreement on the provision of arms last autumn subsequent to the July revolution in Iraq.

Mr. JONES: What general period does this cover?

Mr. GOLDSCHLAG: A period from about the middle of 1954 to March, 1959.

Mr. HERRIDGE: What is the basis for these figures?

Mr. GOLDSCHLAG: The basis for these figures are figures that have appeared in United States publications, one of which I think was made available to the committee last year, called the Sino-Soviet economic offensive in the less developed countries. Although this is out of date now, there have been more recent figures provided in Lloyd Bank's Review and in various United States congressional committee looking into the mutual aid legislation.

Mr. CRESTOHL: I wonder if you can tell us whether or not the Soviets have made any contributions such as grants-in-aid or gifts apart from these credits which are listed here?

Mr. GOLDSCHLAG: As far as I am aware the only outright grants-in-aid have been given by China, not by the Soviet Union. I think there have been some gifts by the Soviet Union to Afghanistan and Burma. I believe the gift to Burma was coupled with an undertaking to make some gifts in return. I believe it would be fair to say that the very large bulk of these amounts would be for long-term credits for the delivery of goods from the Sino-Soviet bloc. What might be regarded as the aid element in these credits, is only the difference between the normal market rate of interest and the interest rate charged by the Soviet bloc, which is in the order of $2\frac{1}{2}$ per cent.

Mr. CRESTOHL: But the capital payment is expected to be returned to the Russians.

Mr. GOLDSCHLAG: Yes.

Mr. CRESTOHL: These, of course, differ from the grants-in-aid which Canada and the other western countries are giving these countries which need the help.

Mr. NESBITT: In the non-military credits listed in the list which we are discussing, does it also include the proposed salaries of the technical experts from the Soviet countries?

Mr. GOLDSCHLAG: I believe that is not included.

Mr. NESBITT: That is free gratis?

Mr. GOLDSCHLAG: That is right. The numbers have actually increased quite considerably. I believe as between 1957, for example, when there were 1,600 Soviet experts abroad in various undeveloped countries, and the end of 1958, it had risen to something like 2,800.

Mr. NESBITT: Their remuneration is not included in this?

Mr. GOLDSCHLAG: I believe that is true.

Mr. MACQUARRIE: What goods would be involved in the extension of credit on the \$10 million item to Turkey?

Mr. GOLDSCHLAG: I could obtain that, but I do not have the information with me.

Mr. GARLAND: I notice in giving this report you have indicated that the aid from the western countries was approximately double.

Mr. GOLDSCHLAG: Only from the United States, and only to this group of countries.

Mr. GARLAND: You used the expression, "This is a select list." These figures would indicate that aid from the United States is double. I wonder in respect of the real meaning of the word "select" could another list be selected which would show an entirely different picture?

Mr. GOLDSCHLAG: When I spoke of a select list I meant two things: one, that the period selected as a basis for comparison is a period over which the Soviet bloc has extended aid which is, of course, a limited period compared to say, the United States which began aid right after the war. Secondly, it is select in the sense that there is every indication that the aid efforts of the Sino-Soviet bloc have been concentrated in a select number of countries.

Therefore, in saying that this might be a little distorted, it is that you have here a group of countries which the Sino-Soviet bloc has singled out for special aid and in some cases, for instance in respect of Afghanistan, for relatively large amounts of aid. If a comprehensive list of countries from Asia and Africa were taken, the size of the United States contribution would be, of course, very much, larger, relatively, than that of the Soviet bloc. For instance, Pakistan is one nation, that is not on this list.

Mr. CRESTOHL: Have there been any loans or grants-in-aid by the western bloc to Iceland?

Mr. GOLDSCHLAG: Yes. I believe some form of help was arranged for Iceland about a year and a half ago under the auspices of NATO.

Mr. CRESTOHL: Would you know whether or not that would be before the time Russia extended this crédit of \$10 million which is on your list?

Mr. GOLDSCHLAG: It was not before.

The CHAIRMAN: If there are no further questions, we will call item 98, Colombo aid, and Dr. Ault is our witness this morning.

SPECIAL

98 Colombo Plan \$50,000,000

Dr. O. E. AULT (*Director, Economic and Technical Assistance Administration, Department of Trade and Commerce*): Mr. Chairman, may we distribute copies of this statement that we have prepared, and also some additional papers?

The CHAIRMAN: Yes.

Dr. AULT: Mr. Chairman, these documents seem rather formidable in size; I hope that they will be satisfactory in material. We have already reduced the material which was to have been presented, as the previous hearing will indicate.

First of all, I should like to say that I have been director of this work for only three months, so that many questions might be asked which I could not answer easily. However, I do have with me a number of advisers and helpers, and I am sure that they will have the answers. With your permission, sir, I should like to read this statement.

Seven months ago, the committee was provided with detailed information on the progress or status of each capital project that the Canadian government has undertaken under the Colombo plan since its inception. The minutes of proceedings and evidence dated Thursday, August 7, 1958, has recorded this information, and while in the report this year we have brought the material

up to date we have not repeated a considerable portion of the detail on projects that have been completed. Thus the previous minutes may, for convenience, be regarded as a reference paper if questions are asked about completed projects.

The financial statement this year has one abridgment, but it is otherwise in the manner of that of previous years, so that comparative studies of distribution of costs can be made.

The report on technical assistance is a cumulative one. The totals rise yearly. An appreciation of the significance of this important part of the administration's work can be obtained from this report. By way of further explanation, we shall in future be reporting on what is now called the "Economic and Technical Assistance Administration", which includes Colombo plan, aid to the West Indies, assistance for Africa, and other related programs. These varied activities are now directed and operated from our branch in cooperation with the Department of External Affairs. We have undertaken the planning and operation of the West Indies program and have under consideration projects for Ghana and Nigeria.

If the various charts are now kept at hand I will say a word about each. The financial statement, as appendix A of this report, in table No. 1, shows that \$231,670,704 has been voted for assistance under the Colombo plan up to December 31, 1958. That is indicated in table 1 at the top of that sheet.

Table No. 2 is a record of the funds which have been allocated to date, namely \$218.9 million. Out of this total \$188.6 million represents the liabilities incurred to date and \$29.6 million the balance of these allocated funds which, while not as yet committed, will be required to complete the projects in hand, as noted under table 4B, and which is the last among this same little group of papers.

Table No. 3, the central one of this same group, shows technical assistance expenditures by countries and years. In this area of our work there were no country quotas, but obviously certain countries because of their resources were able to use or absorb technical assistance to a greater extent than others. The total amount used for technical assistance, just over six million dollars, in a later table is translated into numbers of trainees and experts.

I am not sure whether it would be more convenient to receive questions in respect of the financial part at this stage, or whether it would be better to have them after I have completed the statement.

The CHAIRMAN: What is the wish of the committee. Shall we continue?

Some hon. MEMBERS: Continue.

Dr. AULT: The next table, appendix B, shows the expenditures and allocations for the West Indies and Ghana. The first vote for these countries in 1957-1958 was of a token nature. This was increased to 1½ million dollars the next year and now in 1959-1960 is expected to be one-half million dollars for Ghana and other commonwealth countries not otherwise provided for, and ten million dollars over a period of five years for the West Indies. The funds for these countries to date have largely been used for technical assistance.

An itemized list of projects for Ceylon, India and Pakistan follows, as appendix C. There are three parts to this, each designated by the countries, Ceylon, India and Pakistan. The projects for each country are listed as completed or uncompleted. The history of the completed projects appears in last year's report. The uncompleted projects are listed for each of these countries, along with the allocation of funds, the years over which the project has been spread, and a brief account of the present status of the project. As stated earlier, many of these projects will be completed in 1959 or 1960.

The chief projects officer makes these general comments on the progress of activities in his division:

Our major capital projects are progressing well. Monthly shipments of commodities in the form of copper, aluminum and B.C.-fir railroad ties have continued to flow from east and west ports. Shipments of fertilizer will commence shortly.

Progress at the Warsak hydro project in west Pakistan has for the past year, in spite of difficulties in obtaining our full quota of cement, been nothing short of remarkable. The first unit, we hope, will be ready for testing by the end of this year and we look for completion by mid-1960.

Shadiwal, also in west Pakistan, was slowed down because of small shipments of cement. As our heavy requirements for Warsak ease off next month, this situation will correct itself.

Mr. JONES: Where does the cement come from?

Dr. AULT: Mr. Pratt will be able to answer this question.

Mr. F. E. PRATT (*Chief of capital projects section, Department of Trade and Commerce*): The cement comes from the Waad cement plant in west Pakistan.

The Kundah hydro project in India continues in a most satisfactory way, as it has from the time we signed the agreement. By October of this year we expect to have one unit of power house No. 1 on the line. Completion date is set for August 1960.

The Canada-India reactor, technically a very difficult project, has overcome some early difficulties and satisfactory progress is being made. Completion is expected early in 1960.

Our aerial resources survey in Pakistan has been completed and all the reports will have been turned over to the Pakistan government within the next few weeks. It has been stated that this project is the finest contribution to development in Pakistan undertaken by any agency.

In Ceylon the resources survey continues and the results have proved invaluable to other agencies engaged in development work in that country.

Our fisheries project in Ceylon is proving its worth, and we expect to hand over the operation of the refrigeration plant to the department of fisheries in May next."

The committee may wish to ask how so many projects on such large scales of construction, in such distant parts of the world, can be planned, directed and supervised by such a small staff. Credit in part is due to the Canadian Commercial Corporation, Defence Construction Limited, the officers of various technical departments of government, and tremendous goodwill on the part of Canadian engineering and construction firms.

Turning now to the cost of these statistical charts, the 15-page statistical report on technical cooperation programmes, appendix D, table No. 1 shows the numbers of trainees who arrived in Canada and departed, by years, since 1951. The total number of arrivals is 1,754. These were scholars to do post-graduate work at some university, and fellows who come for non-academic study for short periods so that they may take back to their work a knowledge of Canadian methods and experience. This table dates from 1950 to December 31, 1958 which commences on the next page.

Table No. 2 indicates that these scholars and fellows are sponsored by international agencies as well as the Colombo plan. Canada has become known as a hospitable country in which to study. The progress that Canada has made in many fields is now known to governments, to business interests and to educational institutions, and many scholars and fellows are attracted here to study the methods of our progress. The distribution shows that some 1,700 trainees have come from 85 different countries. At any one time there are about 250 of these trainees in Canada. They add culturally to the community in which they live here and help to widen the interest of Canadians.

Many organizations in Canada, like Friendship House in Ottawa, organize hospitality and entertainment for these visitors. Plans are under way to meet with some of these organizations across Canada and to discuss with them how more encouragement can be given to their work.

Table 2 is a rather long one, because it indicates the various countries from which these fellows and students came.

We have to move over several pages to table 3, which indicates the number of persons trained in Canada by the field of study and the agency for which the training was arranged. You will notice the great variety of interests represented by these students.

Table No. 3 shows the range of study of these trainees. A selection process takes place in the recipient country to insure that the field of study is significant in the country's development and that the study cannot, at the level required, be taken at home. We invite a panel of university professors in Canada to pass upon the applications of all scholars advanced by the various countries. These professors represent different academic disciplines and they have the goodwill and support of the universities' conference. They are joined on the panel by officers of government departments, who advise us on applications for special study, such as medicine, social welfare, agriculture, education and public administration. The method of selection of scholars is very similar to that used by the Canada Council.

The proposed commonwealth scholarship scheme under consideration will supplement the present technical cooperation plan in two ways, first, by providing for applications advanced by individuals without the need of government support, and second, by adding a range of acceptable areas of study beyond that covered by the Colombo plan.

It is hoped that the statistical reports which have been presented will be of interest to the committee. The officers who are responsible for this part of our work, i.e. technical cooperation, have had years of experience in this work, almost covering the period of the Colombo plan itself. They are responsible to me for the selections that are made, for the placing of students, all administrative matters and many personal ones affecting the lives of students as well.

There is a final one which is the last sheet of this group.

Table No. 4 in this series should be especially noted. It shows, by countries, the numbers of experts from Canada sent abroad each year.

We have been talking previously about people from other countries coming to Canada. Now we discuss the experts who go abroad.

These are specialists in their fields sought for the knowledge and experience they have had, that they may bring these to a country where the need is great and the resources are meagre. These officers really go there to teach and to advise. They do not go just to fill a vacancy or to operate an office.

While the country concerned has to state specifically what its need is, there are occasions when the type of assistance sought seems to be too specialized or even premature. In these cases, which are now rare, negotiation with the country concerned results and some adjustment is made in the type or timing of the request.

These experts, as they are called, when they go abroad really become unofficial representatives of Canada and its way of life. They go usually with their families, live in the country, even in remote parts at times, and help in many more ways than those listed in their terms of reference. They form a link between new nations and Canada that has great value.

Specialists in many fields are still in short supply in Canada and a considerable process of recruiting must go on when a request for a specialist comes.

Recently a radiologist was needed in a certain country to develop a clinic which centred around a cobalt beam deep therapy unit which was sent from Canada. There was a double concern, first that the unit, which we had supplied, go into effective use as early as possible, and second that others be trained so that therapy and not injury result. A doctor was found to set up the clinic and now a second doctor, who is a specialist in this field, is being recruited to carry on the work of operating the clinic and training the staff. Three native doctors are being trained in Britain in the medical aspects of radiology, and two of these will come to Canada to visit clinics in operation here. They will in about a year from now take over the clinic and the Canadian staff will return to their work in Canada.

Experts who go abroad have a third responsibility, and that is to prepare a report on the progress and results of their work, partly so that it may remain in the country for the guidance of those who follow, and partly that we may have a record of the methods used, the problems and the effects of their visit.

Finally and in conclusion, these countries that we are trying to assist with our capital aid, our commodities, our gifts, our educational programmes and our technical aid, are of great significance in the world today. The countries of South and South East Asia, the West Indies and Africa need our help and the help of nations that believe in human liberty. The methods of giving assistance may vary. The purposes remain constant: to relieve poverty, to cure disease, to correct unstable conditions, and to bring to these less developed nations tangible assurances of our interest and our cooperation.

The CHAIRMAN: I feel certain we have listened with a great deal of interest to the statement of Dr. Ault, and the immense amount of material and comparisons he has supplied to the committee.

As Dr. Ault pointed out, it is only during the past three months that he has been director of Colombo plan aid, but he has with him many experts who are well versed in their particular field of endeavour, and who are now ready to answer questions dealing with the Colombo plan.

Mr. KUCHEREPA: My question relates to part of the report on page 4, where I quote:

Our fisheries project in Ceylon is proving its worth, and we expect to hand over the operation of the refrigeration plant to the Department of fisheries in May next.

I wonder if Dr. Ault would comment on the degree of operation, and whether this project is operating at full capacity or not? What is the general turnover?

Dr. AULT: I think the answer is that it is not, but I would like Mr. Pratt to say a few words.

Mr. PRATT: I think at certain seasons of the year it does not operate at full capacity. The most valuable thing it is directed to do is to even off the cost of fish in Ceylon at all times of the year. I think that at no time is it operating under 60 per cent capacity. We have been tapering off the staff for some little time. There is only one Canadian left, apart from the skippers of the trawlers.

Mr. KUCHEREPA: You would not think that its original plan was oversized?

Mr. PRATT: I think it is probably undersized, the way things are going now. What we are working on now is the marketing of frozen fish. We have an expert out there on that now.

Mr. HERRIDGE: Dr. Ault, could you just explain to the committee how decisions are made in respect of the suitable projects to be undertaken in various countries—the procedure, and who makes the final decision?

Dr. AULT: The recipient country submits a list of possible projects in which Canada—and I am sure they do it to other countries as well— might be interested. There are various criteria that go into the determination of whether we should choose one project rather than another. An important one, of course is, have we the money to spend on this project? Others, of course, are: is the project really necessary; is it feasible; is it economical; is it something that the country can support after it takes on the recurring expenses, if there are any that would accrue?

There are other factors that go into it. But at some point we must have made what we might call a feasibility study, which could be made by experts in this particular field going from Canada. Probably this would frequently include not only technical persons but economists as well. If the project seems—shall we say “feasible”—then approval is sought from our government to go ahead with it.

The first stage of going ahead, of course, would be an engineers report. That would probably be in the form of actual design or plan of construction. It might even be a preliminary report. After that, tenders are called and the project proceeds. Does that answer the question?

Mr. HERRIDGE: The government makes the final decision?

Dr. AULT: Yes.

Mr. HERRIDGE: On the recommendations of the officers concerned?

Dr. AULT: Yes.

Mr. SMITH (*Calgary South*): Dr. Ault, we hear from time to time from people who have visited the Colombo Plan countries, who have expressed concern that, while the governments of these countries, the technicians and the academic institutions, are very well aware of our work and the contribution which Canada makes to each member country, it is not always known to the public.

I wonder if you could express a view as to whether you are satisfied that this information filters down to the public?

Dr. AULT: Do you mean, the public of the country concerned, or Canada?

Mr. SMITH (*Calgary South*): I am interested, in fact, from the standpoint of all economic aid or monetary aid; but let us deal with this group. Do the ordinary people have a grasp of the work and the contribution we are making? I am concerned about the good propaganda value, as well as the fact that it will bring these countries up to economic maturity. In other words, are we promoting this at a level which the people of these countries can understand as well? Do they understand—that is my point?

Dr. AULT: I would have to venture an opinion. I think Mr. Martin, and several other people who have recently visited the country, could give a better answer on this than I can. But I would offer this view. It is very difficult, in a country as large and as heavily populated as India, to try to assess what public opinion is. The media for developing it, if it were possible, are totally inadequate. Also, I think that in remote regions the people are just not capable of having an opinion. For centuries their concern has been to survive, and it has not completely disappeared. I have myself been in Africa, and I know how difficult it is to try to get an impression of what people think, or try to improve the methods by which people could be convinced.

What we should do about is exercising our minds, definitely. If there is a local project, such as Warsak, I am sure that millions of people in the area are aware of it and are aware that it is being built by Canada. At one time almost 10,000 local people were working on it, so the families are aware of it. But I would very much doubt whether the fact that Canada has built a dam at Warsak would have any effect on the minds of a remote village in east Pakistan.

As far as credit for this is concerned, I am sure that our missions abroad take the necessary opportunities to have public recognition made of contributions to or official openings of these various projects. I think, as well, that our experts who go abroad do an excellent job on public relations. But beyond that, to say that the total effect is that all the people are aware of what we are doing is, I think, very doubtful. I think you would understand that.

Mr. SMITH (*Calgary South*): Yes.

Dr. AULT: But it may be an area in which we could do considerably more than we have done, and certainly we will attempt to do it.

There is another side of this, of course, Mr. Chairman—without making this too long—and it is, does Canada know what is being done abroad under the aid programs? I think we can do considerably more in telling the people of Canada how this operation works. There may be a tendency to think that our gifts are gifts of money; but actually no actual money is involved. They are goods and services. The goods, in large part, are made in Canada by Canadian workmen and then go abroad for service in the country concerned.

Mr. CRESTOHL: Is there any branch of the department under your jurisdiction that is devoted to publicizing this in Canada?

Dr. AULT: We are developing one.

Mr. CRESTOHL: Has it yet commenced operations?

Dr. AULT: Well, it is beginning today, sir.

Mr. NESBITT: There is a question I would like to ask, Mr. Chairman, and it is this. There is a general feeling abroad in Canada, with regard to the public generally and very well-meaning groups of people, that countries such as India and Pakistan can absorb almost unlimited quantities of foods of various varieties such as wheat, milk powder and the like. I realize that there have been, in certain instances, famine and flood conditions and those countries have been very anxious to obtain certain foods for relief and other purposes.

I know there has previously been certain resistance, shall we say—quite properly—regarding countries receiving very large quantities of certain food. Would you care to comment on that?

Would you comment particularly with respect, first of all, to the possibility of certain religious objections to consuming certain types of food in those countries—the fact that people, because of habit and custom, are unfamiliar with, say, the consumption of wheat or drinking milk. If, in fact, large quantities of food for a period of two or three years and then the food is not available might it create a problem with the government of a country such as India? Would it not create a problem at home for the government of India if, for a period of two or three years, large quantities of wheat or milk powder were shipped from the United States or Canada, and then, because of production circumstances, such foods were not available for a period of a few years?

In other words, people become accustomed to consuming new varieties of food for a period of two or three years and then the food is not available as a gift. Might that cause a problem for the government of the country concerned?

Dr. AULT: Yes. I think we are all aware that, with some exceptions, these countries are not able to supply their own food. As we know, the amount that a native eats, compared to our calorie content, anyway, is very small. So I think we could assume that they need food.

Some eat rice; some eat wheat—and there is a fair dividing line between the two. We could probably leave out the rice-eating area, except where some sections of a particular country eat wheat and others eat rice.

These Colombo plan countries do not have facilities in most cases—and I am generalizing because I think that is what you want me to do—for storing

quantities of food to keep them over famine years in cases of shortages. We are having a study made to see how much they could store, if it were available. There is never, of course, any attempt to force food products on countries where there would be any kind of religious objection to it. In fact, I must say that I have never really run into the question, although we do know that certain religious groups in certain countries eat some foods and some do not.

There is, however, if these countries need food and they cannot store it themselves, and they do not have money—which, in the case of wheat, in considerable measure, means dollars, or even sterling—they are, reasonably happy under the circumstances to receive it as a gift.

As to the supply of wheat developing new habits of eating, it may be a problem over the years, and those who are concerned with trade have been aware of this problem. They know that there might be a demand beyond what could continuously be supplied—but I do not know the answer to that.

However, at the moment the main problem is to try to supply the needs of the country, in view of the fact that they are short of food, that they are not producing enough, that they do not have storage space and do not have dollars or sterling with which to buy it.

Mr. NESBITT: That pretty well answers what I had in mind, although there is one further question I would like to ask. It is fairly self-evident from the requests made that the countries in question know what they can store, what they can use and what is necessary.

The reason I asked the question was because there is a general view abroad on the part of lay people that these countries can accept almost unlimited quantities of commodities such as wheat or milk powder, or things of that nature. But it would seem, for the reasons you have stated, that is not entirely the case and there are certain limitations.

Dr. AULT: This is right.

Mr. HERRIDGE: I would like to ask a question with respect to the trainees who come to Canada to advance their education in various respects. Would you give us the details of the per diem allowances which are allowed these persons for living expenses, and also their transportation expenses.

Dr. AULT: Mr. Bartlett will answer this question.

Mr. D. W. BARTLETT (*Chief, Technical Co-operation Service, Department of Trade and Commerce*): The per diem allowance depends on the type of course the trainee is following. We have about four rates depending on the level at which a university student is working, he would get \$140 or \$150 a month. The rates vary upwards to a maximum of \$360 a month paid to an individual who comes on a short tour, which requires him to travel constantly. Most of these people are not what you normally think of as students; they are fairly senior professional men who come to look at laboratories or other special facilities that we have here in Canada; and that high rate category is fairly small. In addition, we pay for their tickets here in Canada, usually rail tickets, for their intercontinental transportation. There are certain provisions for medical expenses if they are sick. If he goes to University he is allowed his fees. Generally speaking, including transportation and everything else, it costs something of the order between \$4,000 and \$4,500 per twelve-month year to bring someone to Canada, keep him here that long and get him back home again.

Mr. HERRIDGE: You mentioned \$140 a month. Have you the figures for the number who were paid at \$140 a month and the number who receive over \$300 a month? I am thinking of the old age pensioners when I ask this question.

Mr. BARTLETT: Roughly 25 per cent.

Mr. HERRIDGE: Would get the \$300 a month or over?

Mr. BARTLETT: No, that is the percentage who would get the \$140 a month. In terms of man-months there would probably not be over 10 per cent who would get the higher rates. I say in terms of man-months because most of them come to Canada for only two or three months; so in terms of actual numbers coming it would be higher than that. There are only estimates, but I can obtain the figures for you, if you wish.

Mr. HERRIDGE: Would you get those figures?

Mr. BARTLETT: Yes.

Dr. AULT: University students would tend to get \$140.

Mr. BARTLETT: As undergraduates, \$140, and the ones doing post-graduate work get \$150. This is a small recognition, as their costs will be higher.

Mr. SMITH (*Calgary South*): You mentioned the word "students" and the proportion of the number of persons involved in giving technical assistance. The reason I am asking the question is that I see we have a relatively small number of oil technicians and I am thinking more of conservationists. Are these purely students, or do they have some experience in the field of conservation?

Mr. BARTLETT: I think you could take it that roughly one-third of the trainees in Canada at any one time are students in the sense they are working at universities.

Mr. SMITH (*Calgary South*): They would not be graduate petroleum engineers?

Mr. BARTLETT: No, the other two-thirds are in the fellowship category and they are coming for relatively short periods to study a whole range of subjects; surgical techniques, how to administer customs acts, public administration, cement manufacture and the range of studies illustrated on the table in the material.

Mr. SMITH (*Calgary South*): The question which comes to my mind is: are these students making a contribution or developing their own experience. In other words, in dealing with the case of conservationists, do they make any useful contribution to the country concerned in the field of petroleum conservation, or are they really just under training?

Mr. BARTLETT: I think as a general rule, so far as their work here in Canada is concerned, they are under training. But virtually everyone who comes to this country, with the exception of a technical group which is in a special category, is sent by his own government so he can go back and perform his job better.

Mr. MACQUARRIE: I have two questions on this general subject; one is minor. I am interested in what the students from Harvard University are doing here. My second question is more significant. It is quite noticeable in the non-self-governing territories, especially Africa and among the trust territories we find at the United Nations, that a great many of the new political leaders are people who have been trained in the Soviet Union and especially in Czechoslovakia. I notice that we have very few students and trainees in Canada from these areas. There is one from Togoland and twenty from Tanganyika. I am wondering if these small numbers stem from the fact that our facilities or our invitations are inadequate, or whether there are not overtures from those areas in this direction. I believe this is an important area of usefulness which might be further developed by us.

Mr. BARTLETT: In answer to your first question in connection with the Harvard University group, I should say our services are generally available to help with training in Canada any people who want to come here and for which the government takes a broad and official interest. The group from Harvard

University were taking a special course in taxation policy. This was a special course arrived at in cooperation with the United Nations. We have a good many students, who come here from United States. The director wanted to bring them up here to Canada to give them an example in the way things are done. My office made the necessary arrangements for them here. I should say that in regard to this group and the other United Nations groups, we did not pay out any money to the students. We provided the administrative services but the costs were provided by the responsible agency.

In regard to the other question, the persons who have come to Canada from Africa in the past have come largely under United Nations auspices, one of the specialized agencies or the technical assistance administration; and the people we look after here are the ones the United States ask us to look after. If the training they needs is the sort of thing that they can get here, and the United Nations feels they can send him to Canada, they write to us and we arrange the program and look after them. Here again the United Nations, Technical Assistance pays all the bills except administration. With the new decision to establish an allocation and a program for commonwealth areas not otherwise provided for, it should make it possible for us to take the initiative and I hope next year the figures will show a change.

Mr. CRESTOHL: Those countries are benefiting from Canada's contribution, under the Colombo plan especially; they benefit from their operations or constructions. Can you tell us whether there are similar works going on in these countries initiated or financed by the Russians?

Dr. AULT: Do you wish to take this question, Mr. Goldschlag?

Mr. GOLDSCHLAG: Mr. Chairman, the answer to that question is, yes. Take, for example, India. The Russians have just completed a very large steel plant, along with the Germans and the British who are also building large steel plants. But India is one country where the Russians are embarking on very large works. The committee might be interested to know that some years ago Canada built a relatively modest hydroelectric plant in Assam and local demand for power has developed steadily since that time. And just about at this time this year there will come into operation, to operate on Canadian power, an oil refinery which has been built for the Indians by Roumania.

Mr. CRESTOHL: That makes the observation which Mr. Smith mentioned before all the more important. There is sort of competition work going on in order to win the favour of the masses of the people in those countries and I think, therefore, that your new scheme you are setting out on today to let the Canadian people know precisely what we are doing is rather significant. I wonder, Dr. Ault, whether apart from the statistical information which members of parliament receive from time to time whether you could take this committee into your confidence and give us some indication what you propose to do to make this information more widespread to the general public in Canada.

Dr. AULT: Well, I do not know whether it is a matter of confidence or a matter of timing because we have had many things to think about in the two or three months in which I have been director.

Mr. CRESTOHL: I mean to suggest that you take us into your confidence. I do not want you to tell us anything confidential, but tell us about it.

Dr. AULT: There are two or three methods of acquainting the people of Canada with what we are doing abroad. One, of course, is when machinery for a large project is being manufactured here, as it is frequently, there should be a public announcement that the machinery is ready to be shipped. Some of that has been done. When trainees come to Canada it should be possible for them to appear on radio and television to tell something about their country,

and the value it is to them to be here. I have also discussed with the C.B.C. the possibility of producing a program, probably for next fall, which would give some pictures of our operations in these countries and a commentary on Canada's part in this work. We have also had some discussions about producing a film. Films have been made on the projects that are being constructed in Asia, and I am sure these will be used. We want to provide some films for schools, universities or discussion groups so that they can see films with the proper commentary.

Mr. CRESTOHL: Are you doing any syndicated articles or regular news releases in the press of Canada.

Dr. AULT: The press seeks its own time and uses its own resources in this regard. We, of course, are very willing to help by supplying them with material. However, we have not asked them to run any particular series.

Mr. JONES: Mr. Chairman, I have two questions. My first question has been discussed between Mr. Herridge and myself. We notice under the types of studies that are being undertaken by students in Canada one called helminthology. Perhaps you might tell us what helminthology is before I go on to the next question.

Dr. AULT: I will have to refer that to the experts. I hope that they know. Could we have the second question?

Mr. JONES: The second question is what consideration, if any, has been given by the contributing nations of the Colombo plan to encouraging private investment in the recipient countries?

Dr. AULT: Do you mean private investment from Canada?

Mr. JONES: From Canada and from other contributing Colombo plan nations. Has that been discussed? Have any plans been formulated by which the tremendous resources of private capital might be made available to Colombo plan nations, either by having their investments guaranteed in some way or by pointing out the methods by which opportunities for investment might be made known to private enterprise.

Dr. AULT: I think this is really a question for the Department of Trade and Commerce. Members of the committee are aware of the export-import insurance scheme which may or may not cover it. They are probably also aware that certain commodities and materials that go into construction under the Colombo plan are in demand afterwards. For example, we have supplied Otter aircraft for surveys, and there has been some private demand in the country for more planes, which could not be supplied free because we did not have the Colombo plan funds. As for encouraging trade relationships that does not quite come within our sphere. The results that I have mentioned are probably incidental to what we are trying to do. However, it is an interesting thought.

Mr. JONES: It is quite interesting to Canadians in order to provide work in Canada and opportunities for private investment.

I notice at page 186 of the seventh annual report of the consultative committee of the Colombo plan, it deals with some of the contributions which have been made by private organizations. The list given there is not at all in the nature of the encouragement of which I was speaking. It is more in the nature of direct grants by foundations and so on.

Mr. MARTIN (*Essex East*): Would you agree that there have been discussions indicating there were certain sectors where private investment might do something to make a contribution which governments were unable or unwilling to do? As an example, for instance, in the past the Department of Trade and Commerce in Canada has had discussions, I know, with individuals who were interested in prospecting investment in oil in a country like India.

While Canada has not sought to interfere with the policy of the government in that respect, they have pointed out that if the government of India gave guarantees beyond the 10 per cent area for taking advantage of any exploration undertaken by private capital—in this instance Canadian capital—there would be greater encouragement. There is a lot of effort like that going on.

Mr. GARLAND: I was interested in your reference to your belief that greater publicity should be given in Canada to the activities under the Colombo plan. I am wondering if it would be a fair question to ask when a decision was made to intensify our publicity in Canada, by whom and what sort of a budget will be provided for this to speed up the publicity?

Dr. AULT: I think the answer is it exists in people's minds at the moment. There is no special budget for it.

Mr. GARLAND: But the decision has been made to intensify the publicity. Is that right? That is what I understood from you.

Dr. AULT: But you are putting it probably more formally. There has always been an amount of publicity and public relations.

Mr. GARLAND: I realize that, but I gathered from your remarks it is now intended to intensify it.

Dr. AULT: Yes. I could not give the day, or the hour, or the method. I think it is a point of view which has developed, which we have discussed, and which seems to be necessary.

Mr. SMITH (*Calgary South*): The report states that our aerial surveys have been extremely successful. First of all, the reason for that is because our experience in Canada is broad in the field. This is a contract which is now concluded. Is there something more we are doing in this field, either here in Colombo or in other areas? Secondly, as far as the report here is concerned, you have used only one company. Is there any suggestion of using a second company, or how is this determined?

Mr. PRATT: The Ceylon survey has been extended. The Pakistan one, and a small one in India, are being extended. The Ceylon survey is a resources survey. As far as contractors are concerned, we have only used a Canadian contractor and any number of Canadians on one contract. Our plan, for instance in hydro projects, has been to undertake to provide the generating equipment and to supervise the construction.

The Kundah hydro project is an example. Here the department of electricity in Madras have undertaken all the civil works; they have 10,000 persons working and we are providing the penstocks, turbines, generators and the transmission line to Madras.

Mr. SMITH (*Calgary South*): I am speaking primarily of aerial magnetic surveys.

Mr. PRATT: There are no new ones in the offing at the moment. There is one survey on the Mekong river. That is largely aerial mapping. It is not an aerial magnetic survey.

Mr. SMITH (*Calgary South*): That is the last one, \$1½ million?

Mr. PRATT: Yes.

Mr. CRESTOHL: In respect of this publicity of the work which Canada is doing under the Colombo plan, is your committee which is studying this matter also considering the severe criticism from Canadians in a certain part of the country with reference to Canada's having spent so much in foreign aid and having spent so much money to assist countries abroad. There is an element of negative thinking in that way, especially from those holding short-range views.

Dr. AULT: I think the answer is obvious, that one has to keep that in mind. One has to keep the public here informed as well.

Mr. CRESTOHL: I agree with you. However, I am speaking from experience and I have heard severe criticism against the government for spending money on things abroad, when there is so much unemployment and so on in this country. I think the committee has to consider that very seriously.

Dr. AULT: Quite.

Mr. MARTIN (*Essex East*): I was interested in the question Mr. Smith raised, but for another reason. The project on the Mekong river was done by Sparton, the same company which did the one in Malaya. Mr. Smith was concerned with why the work was all given to one group. I am aware of the work by Sparton Airways in Malaya, and I understood they were the only one which did that work. Are there others?

Mr. PRATT: Yes, there are about six large companies.

Mr. MARTIN (*Essex East*): How is this work given out?

Dr. AULT: We have made a survey of the companies which might be able to participate in this. I think that the job is so large they will all be participating in it. For example, up to 50 per cent of all the special equipment for reproducing the maps which is now installed and available in Canada will be needed for reproducing the maps from this area. It would obviously be desirable to use all this equipment rather than to have any one company advance its facilities beyond what it might be expected normally to use.

Mr. MARTIN (*Essex East*): Is the project on the Mekong river a continuation of a project already in existence and supported largely by Australia? Is that the one?

Dr. AULT: It is a part of it.

Mr. MARTIN (*Essex East*): Is it the first larger project in which we have engaged in Indochina?

Dr. AULT: Of this proportion, yes.

Mr. MARTIN (*Essex East*): When I was there we had been giving very little assistance to Vietnam, Cambodia and Laos. This raises in my mind another question. The assistance we give to these countries is of course without any strings attached, and we are proud of that fact, because it distinguishes us from the Soviet Union.

However, there are other areas in the world where there are no programs in which we participate at all, but where the Soviet Union is making great advances. I am wondering if there would not be some opportunity some time, Mr. Chairman, for us to give consideration to other avenues where we might explore the dangers involved. I am thinking particularly of the Middle East where the present news indicates the tremendous hold the Soviet Union is gaining, and the west is doing nothing.

Would you give consideration to that in the steering committee?

The CHAIRMAN: Yes.

Mr. MARTIN (*Essex East*): So that we would have an opportunity to bring this up and discuss this matter at some time.

Mr. NESBITT: Is Mr. Martin referring to the Colombo plan areas or other areas?

Mr. MARTIN (*Essex East*): I was thinking of other areas. The Colombo plan area is essentially south and south-east Asia and is now extending into Indochina and Indonesia. I am thinking particularly at the moment of the Middle East and Africa.

I am sure the situation in the Middle East is one of the most worrisome situations. What is happening in Iraq is happening in front of our eyes and the Russians are the only ones who are giving any kind of assistance. The Americans and the British have offered assistance through the United Nations and nothing is being done. It seems that is something which should be engaging our attention at some time.

The only reason I raise this now is in order that the chairman might find an opportunity for us to raise this matter.

The CHAIRMAN: Item 104 which we passed some time ago has to do with technical assistance to commonwealth countries and territories other than those eligible for assistance under the Colombo plan or West Indies assistance program. At that time we voted \$500,000 which was an increase of \$365,000.

Mr. MARTIN (*Essex East*): Those are areas which already are covered by schemes of one kind or another. I am particularly referring to critical areas where we are doing nothing. I do not mean Canada alone. I mean areas where the west is doing nothing. I would like to inquire as to what is our thinking in that regard.

The CHAIRMAN: I think that brings in the question of policy on the part of the government.

Mr. MARTIN (*Essex East*): There is no doubt that it is policy.

The CHAIRMAN: The only item that is open now is that of the international joint commission; you will recall the late Dr. Smith asked that one or two questions be set aside until he could return, probably at the last meeting of this committee. It would seem to me that a question of policy is a pretty difficult one to consider at this particular moment.

Mr. MARTIN (*Essex East*): I agree.

The CHAIRMAN: In the light of the circumstances, we will certainly take note of it and see what can be done.

Mr. JONES: Before we get off this subject of making Canada's contribution known in the areas where we are making a contribution, the Russians have the hammer and sickle stamped on their goods, such as diesels, trucks or whatever it is that they supply. They use the hammer and sickle as a symbol. It seems to be very effective in order to get the idea across of where it comes from. Are we using the maple leaf or something similar?

Dr. AULT: We have prepared a plate for each piece of large equipment and on it we have a maple leaf, as well as aid from Canada under the Colombo plan. For smaller equipment we have a smaller design, the device of a maple leaf and "Canada aid under the Colombo plan." I would not say that every article is now completely marked, but there has been a very definite attempt to have all marked.

Mr. PRATT: All construction equipment used on big jobs is marked, identifying Canada and the recipient country. We use the maple leaf and Colombo plan, or Canada-India, or Canada-Pakistan. We always associate ourselves with the recipient country, and our part is identified by the maple leaf.

Mr. CRESTOHL: I see from the figures for 1958-59 that in all these countries to the greatest extent by far, 75 or 80 per cent of our contribution has been made in the form of food or supplies; fertilizer, \$2½ million; wheat, \$5 million; railway ties, \$2½ million and so on. That is quite all right. For India that is all right, and it is highly desirable for the other countries, the Pakistan portion, where I see mention of wheat, and transmission lines.

I point this out from my standpoint, that I feel it is highly desirable that we must keep people alive. That is the first thing which concerns us. But does that produce the same degree of favourable publicity for Canada with respect to showing that these things come from Canada? Are the people aware of it?

Surely, if we are doing a construction job there must be trucks used, and some locomotives. That is fine. But there seems to be little value in the publicity that way. Are we spending our contributions, the greatest portion of them, in a way that we can get that publicity by method or by design? It is important that the people who get our wheat should know that it comes from Canada, and that Canada is helping to keep them alive.

Dr. AULT: As far as India is concerned—and I must ask my financial expert to interpret this for me—the total is \$101,815,000, and of that amount \$22 million was for wheat; \$26 million was for non-ferrous metals and commodities and \$2.5 million worth of fertilizers. It is somewhat under by 50 per cent.

Mr. CRESTOHL: Non-ferrous metal is all right; but when the aid is in the form of supplies such as railway ties, unless each railway tie has a symbol on it, how can you tell?

Dr. AULT: There has been a demand for non-ferrous metals because of the shortage of dollars to purchase such metals; otherwise the factories which they set up could not run.

Mr. DINSDALE: A moment ago there was an observation made—I am not sure whether it was by Dr. Ault or by Mr. Bartlett—to the effect that we were considering independent operation of a service to bring Pakistan students to Canada to train. That point was not enlarged upon. How far has that consideration gone?

Dr. AULT: Funds have not been available up until this last year. Now that funds are available for Africa, a letter is going to the colonial office in respect to the colonies, to the effect that we have that we would receive applications from these areas. When new countries come to a state of independence, there will be direct relationship with them, and they will be invited to submit their requests for technical assistance.

Mr. DINSDALE: Will this student training program be in addition to the other agencies program?

Dr. AULT: It will be strictly a Canadian program. You mean by "other agencies", the United Nations technical program?

Mr. DINSDALE: Yes.

Dr. AULT: No; this will be strictly Canadian, the same as Colombo plan assistance.

Mr. DINSDALE: It is a new program.

Dr. AULT: It is an extension of the Colombo plan, but it comes under the special vote for African countries. In the West Indies the program has already started.

Mr. MARTIN (*Essex East*): You administer more than the Colombo plan operation?

Dr. AULT: That is right.

Mr. MARTIN (*Essex East*): You have all the West Indies?

Dr. AULT: Yes, and the Africans as well.

Mr. MARTIN (*Essex East*): The only extension, such as I indicated earlier, would come under you?

Dr. AULT: That is right.

Mr. MARTIN (*Essex East*): You would not want to say anything about what I injected a few moments ago, when the chairman quite properly thought that it was policy?

Dr. AULT: We only do that for which we have funds, and that comes within the policy we are administering. We could not go further into policy.

Mr. DINSDALE: How many students might be involved in this scheme?

Dr. AULT: I would not be able to judge how many. We are trying to have students come at the post-graduate level; but some of those countries do not have many students at this level to send abroad. However, as in the case with some of the eastern countries, it may be possible that we have some come at the under-graduate level. We should also keep in mind the commonwealth scholarship scheme, which will probably come into operation this year, and which might provide for a quite large number of students.

Mr. HERRIDGE: Could you explain what this helminthology is? It rather intrigues me.

Dr. AULT: I do not have the answer.

Mr. HERRIDGE: Could you let us have information on what the subject is, which university in Canada teaches it, from what country the student came, and in what way it serves the rehabilitation of the country?

Mr. CRESTOHL: And in what dictionary it can be found?

Dr. AULT: We will get that information for you.

The CHAIRMAN: If there are not further questions, is item 98 agreed to?

Item agreed to.

Gentlemen, before we adjourn, the next item of business to be taken up on Thursday is that relating to the International Joint Commission.

The committee adjourned.

APPENDIX 1

CANADA'S POST-WAR FINANCIAL ASSISTANCE ABROAD 1945-1960⁽¹⁾

(Millions of Canadian Dollars)

	Expenditures to March 31, 1957 Total	Expenditures Year 1957/1958 Total	Estimates Presented to Parliament Year 1958/1959 Total	Estimates Presented to Parliament Year 1959/1960 Total	Total Expenditures *(including estimates ⁽²⁾) to March 31, 1960 Total
1. RECONSTRUCTION LOANS:					
Belgium.....	68.84				68.84
China.....	64.97				64.97
Czechoslovakia.....	16.67				16.67
France.....	253.45				253.45
Netherlands.....	123.95				123.95
Indonesia.....	15.45				15.45
Norway.....	23.66				23.66
United Kingdom.....	1,185.00				1,185.00
U.S.S.R.....	15.16				15.16
Suez Canal Clearance.....	1.00				1.00
	<u>1,768.15</u>				<u>1,768.15</u>
2. SPECIAL LOANS:					
Colombo Plan countries for purchase of wheat and flour from Canada.....		16.20	18.80		35.00
		<u>16.20</u>	<u>18.80</u>		
3. MILITARY RELIEF:					
Balkans, Belgium, Denmark, France, Italy, Luxembourg, Netherlands, Norway.....	105.22				105.22
	<u>105.22</u>				
4. GRANTS:					
(a) <i>To International Agencies & Program- mes</i>					
UNRAA.....	154.00				154.00
Post-UNRAA Relief.....	11.85				11.85
Intergovernmental Committee on Refugees.....	.24				.24
IRO.....	18.82				18.82
ICEM.....	.10		.06		1.60
UNREF (Refugees).....	.40	.20	.20	.29	1.09
UNICEF (Children).....	10.03	.65	.65	.65	11.98
UNKRA.....	7.75				7.75
UNRWA (Palestine Refugees).....	4.54	.75	3.50	.50	9.29
EPTA (Technical Assistance).....	7.11	1.93	1.93	1.93	12.95
United Nations Special Fund.....				1.93	1.93
IAEA (Operational budget).....			.07		.07
International Relief Agencies & Organizations (Dried Skim Milk).....			.95		.95
Total.....	214.84	3.53	7.41	5.30	231.08
(b) <i>Colombo Plan; Capital and Technical Assistance.....</i>	162.27	34.40	35.00	50.00	281.67
(c) <i>Special Relief;</i>					
European Flood Relief (1952).....	1.00				1.00
Greece (wheat—famine relief).....	.85				.85
Greece (earthquake relief).....	.50				.50
Korea (fish).....	.75				.75
India, Pakistan, Nepal (food & drugs —flood relief).....	.23				.23
Haiti (fish—hurricane relief).....	.03				.03
Japan (food—flood relief).....	.04				.04
Yugoslavia (fish).....	.04				.04
British West Indies (flour—hurricane relief).....	.05				.05
India (medical supplies—flood relief) Pakistan (wheat, medical supplies— famine, flood relief).....	.05				.05
Hungarian Refugees (transportation and other assistance).....	6.53				6.53
India, Pakistan and Ceylon (wheat and flour relief).....	10.51	11.14	7.68	3.10	32.43
		2.00	26.50		28.50
Total.....	20.58	13.14	34.18	3.10	71.00

(1) This financial assistance excludes contributions for membership assessments in international agencies and programmes.

(2) These figures include amounts which have been provided for in Final Supplementary Estimates for 1958/1959.

STANDING COMMITTEE

APPENDIX 1—*Conc.*CANADA'S POST-WAR FINANCIAL ASSISTANCE ABROAD 1945-1960⁽¹⁾

(Millions of Canadian Dollars)

	Expenditures	Expenditures	Estimates Presented to Parliament	Estimates Presented to Parliament	Total Expenditures (including estimates ⁽²⁾)
	to March 31, 1957 Total	Year 1957/1958 Total	Year 1958/1959 Total	Year 1959/1960 Total	to March 31, 1960 Total
(d) Commonwealth Assistance Programme ⁽²⁾14	.50	.64
(e) West Indies Assistance Programme.....			1.48	2.10	3.58
(f) NATO					
Military Assistance—(transfers from Can. stocks, new production items, NATO aircrew training, etc.).....	1,373.60	108.00	108.50	68.50	1,658.60
Infrastructure & NATO Budgets....	63.57	10.47	21.50	21.50	117.04
Total.....	1,437.17	118.47	130.00	90.00	1,775.64
	<u>1,834.86</u>	<u>169.54</u>	<u>208.21</u>	<u>151.00</u>	<u>2,363.61</u>
5. TOTAL LOANS, MILITARY					
RELIEF GRANTS.....	3,708.23	815.74	227.01	151.00	4,271.98
	<u>3,708.23</u>	<u>815.74</u>	<u>227.01</u>	<u>151.00</u>	<u>4,271.98</u>
Subscriptions as valued at March 31, 1958 ⁽⁴⁾					
IBRD.....					70.86
IMF.....					295.95
IFC.....					3.52
Total.....					<u>370.33</u>
6. GRAND TOTAL.....					<u>4,642.31</u>

⁽²⁾ To provide technical assistance to Commonwealth countries other than those covered by the Colombo Plan or West Indies Assistance Programme.

⁽⁴⁾ Represents Canada's net capital participation, i.e. original contributions adjusted for transfers reflecting the relative value of U.S. and Canadian dollars.

APPENDIX 2

INTERNATIONAL ECONOMIC AID TO UNDER-DEVELOPED COUNTRIES

1953/54-1955/56 AND 1956/57*

BY CONTRIBUTING COUNTRY OR AGENCY

Contributing Country or Agency	1953/54-1955/56			1956/57		
	Grants	Loans	Repayments	Grants	Loans	Repayments
	(Millions of Dollars)					
BILATERAL AID						
Australia.....	71.0	—	—	33.5	0.8	—
Belgium.....	—	12.0	—	—	8.0	—
Canada.....	64.2	—	6.3	23.4	—	—
France.....	1,185.3	629.7	—	514.3	292.8	23.7
India.....	17.1	—	—	3.4	—	—
Italy.....	15.0	—	—	6.8	—	—
Japan.....	0.3	—	—	0.3	—	—
Netherlands.....	52.3	6.1	21.8	20.9	3.5	7.4
New Zealand.....	9.4	0.4	—	5.7	0.1	—
Norway.....	1.3	—	—	0.9	—	—
Portugal.....	1.0	9.7	—	0.4	2.2	—
Spain.....	24.4	7.2	—	—	—	—
Sweden.....	0.2	—	—	0.3	—	—
United Kingdom.....	307.0	149.2	4.2	113.5	42.4	5.6
United States.....	2,373.1	803.3	377.0	1,166.5	269.9	277.3
Total Bilateral.....	4,121.6	1,617.6	409.3	1,889.0	619.7	314.0
MULTILATERAL AID						
UNTA.....	67.2	—	—	30.6	—	—
UNICEF.....	34.2	—	—	17.4	—	—
UNKRA.....	74.3	—	—	20.8	—	—
UNRWA.....	90.6	—	—	35.2	—	—
IBRD.....	—	315.5	37.0	—	178.8	18.8
Total Multilateral.....	266.3	315.5	37.0	104.0	178.8	18.8
GRAND TOTAL.....	4,387.9	1,933.1	446.3	1,993.0	798.5	332.8

* In general the periods covered are 1 July 1953-30 June 1956 and 1 July 1956-30 June 1957. Comparable statistics for the U.S.S.R., China and a number of countries in Eastern Europe were not available.

SOURCE:

Table 16, page 67 of the Report of the Secretary General of the United Nations to the 26th Session of the Economic and Social Council. Document E/3131 of June 3, 1958.

APPENDIX 3

CONTRIBUTIONS OF GOVERNMENTS TO INTERNATIONAL TECHNICAL ASSISTANCE AND RELIEF AGENCIES 1957

Contributing Country	UN Technical Assistance		UN Children's Fund	UN Relief and Works Agency	All Agencies
	Expanded programme	Regular programmes			
(millions of U.S. dollars)					
AFRICA					
Egypt.....	0.2	—	0.1	0.1	0.4
Sudan.....	0.1	—	—	—	0.1
Union of South Africa.....	—	0.1	—	—	0.1
Other.....	0.1	—	—	—	0.1
Total Africa.....	0.4	0.1	0.1	0.1	0.7
AMERICA, NORTH					
Canada.....	1.2	0.2	0.7	0.7	2.8
Cuba.....	0.1	—	—	—	0.1
Mexico.....	—	0.1	0.3	—	0.4
United States.....	11.2	2.1	10.0	21.9	45.2
Other.....	0.1	—	0.2	—	0.3
Total America, North.....	12.6	2.4	11.2	22.6	48.8
AMERICA, SOUTH					
Argentina.....	0.4	0.1	—	—	0.5
Brazil.....	0.7	0.1	0.5	—	1.3
Chile.....	—	—	0.1	—	0.1
Colombia.....	0.1	—	0.3	—	0.4
Peru.....	—	—	0.1	—	0.1
Venezuela.....	0.1	—	—	—	0.1
Total America, South.....	1.3	0.2	1.0	—	2.5
ASIA					
Burma.....	—	—	0.1	—	0.1
China (Taiwan).....	—	0.4	—	—	0.4
India.....	0.5	0.2	0.3	—	1.1
Indonesia.....	0.1	—	0.1	—	0.3
Iran.....	0.1	—	0.2	—	0.3
Iraq.....	0.1	—	0.1	—	0.1
Israel.....	—	—	—	0.1	0.2
Japan.....	0.1	0.1	0.1	—	0.3
Jordan.....	—	—	—	0.2	0.2
Pakistan.....	0.2	—	0.1	—	0.3
Philippines.....	—	—	0.1	—	0.1
Saudi Arabia.....	—	—	0.1	—	0.1
Syria.....	—	—	0.1	—	0.1
Thailand.....	0.1	—	0.1	—	0.2
Turkey.....	0.2	0.1	0.1	—	0.4
Other.....	0.1	—	0.1	—	0.2
Total Asia.....	1.5	0.8	1.6	0.3	4.4
EUROPE					
Belgium.....	0.4	0.1	0.1	—	0.7
Byelorussian SSR.....	0.1	—	—	—	0.1
Czechoslovakia.....	0.1	0.1	—	—	0.2
Denmark.....	0.6	0.1	0.1	—	0.7
France.....	1.5	0.4	0.8	0.3	2.9
Germany, Fed. Republic.....	0.5	0.2	0.4	—	1.1
Italy.....	0.1	0.1	0.1	—	0.4
Netherlands.....	1.0	0.1	0.1	—	1.2
Norway.....	0.4	—	0.1	0.1	0.6
Poland.....	0.1	0.1	—	—	0.2
Spain.....	0.1	0.1	—	—	0.1
Sweden.....	0.8	0.1	0.2	—	1.1
Switzerland.....	0.2	0.1	0.2	—	0.5
Ukrainian SSR.....	0.1	0.1	—	—	0.2
USSR.....	1.0	0.8	0.5	—	2.3
United Kingdom.....	2.2	0.6	0.6	6.1	9.6
Yugoslavia.....	0.1	—	0.2	—	0.4
Other.....	0.2	0.2	0.1	—	0.5
Total Europe.....	9.5	3.2	3.5	6.5	22.8

APPENDIX 3—*Conc.*CONTRIBUTIONS OF GOVERNMENTS TO INTERNATIONAL TECHNICAL
ASSISTANCE AND RELIEF AGENCIES 1957—*Conc.*

Contributing Country	UN Technical Assistance		UN Children's Fund	UN Relief and Works Agency	All Agencies
	Expanded programme	Regular programmes			
(millions of U.S. dollars)					
OCEANIA					
Australia.....	0.5	0.1	0.5	0.2	1.3
New Zealand.....	0.2	—	0.2	0.1	0.5
Total Oceania.....	0.7	0.1	0.7	0.3	1.8
GRAND TOTAL.....	26.0	6.8	18.1	29.8	81.0
Total Under-developed Countries.....	3.2	1.1	3.1	0.4	7.8

SOURCE;

Table 13, pages 45 and 46 of Report of the Secretary General of the United Nations to the 26th Session of the Economic and Social Council. Document E/3131 of June 3, 1958.

APPENDIX 4

ESTIMATED SINO-SOVIET BLOC CREDITS AND AGREEMENTS WITH LESS
DEVELOPED COUNTRIES INCLUDING MILITARY CREDITS*

Country	Approximate Amounts Offered and Agreed (in millions of dollars)
United Arab Republic	
Egyptian Region.....	600-650
Syrian Region.....	325
Afghanistan.....	175
Yemen.....	60
Burma.....	40-50
India.....	320
Indonesia.....	300-350
Iraq (March 1959).....	300
Ceylon.....	60
Nepal.....	13
Cambodia.....	30-35
Iceland.....	10
Turkey.....	10
Argentina.....	100
Approximate Total.....	\$2.3-\$2.4 billion

*About one half of aid to Egypt, Syria, Indonesia and Iraq, and approximately \$25 million of aid to Afghanistan has consisted of military credits.

TABLE NO.—1

APPENDIX "A"
CANADIAN COLOMBO PLAN ASSISTANCE
FINANCIAL STATEMENT

TABLE NO.—I	FINANCIAL STATEMENT								As at 31 December, 1955	
	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	Total
Funds voted by fiscal years.....	\$400,000	\$25,400,000	\$25,400,000	\$25,400,000	\$25,400,000	\$26,400,000	\$34,400,000	\$34,400,000	\$35,000,000	\$232,200,000
						Less Funds which lapsed during 1950-51 and 1951-52.....				529,299
										\$231,670,704
										BALANCE AVAILABLE.....

ALLOCATIONS AND EXPENDITURES

Capital Projects Commonwealth Countries	Funds Allocated to-date	Expenditures to-date	Outstanding Commit- ments	Total liabilities	Un- committed balance
Ceylon.....	\$ 12,709,916.83	\$10,876,177.71	\$ 360,048.52	\$ 11,236,226.23	\$ 1,473,690.60
India.....	122,241,018.69	86,492,873.24	13,894,117.13	100,386,990.37	21,854,028.32
Malaya.....	209,600.00	204,279.44	284.14	204,563.58	5,036.42
North-Borneo.....	3,000.00	1,461.39	—	1,461.39	1,538.61
Pakistan.....	75,293,221.97	58,454,923.64	10,035,854.53	69,090,778.17	6,202,443.80
Sarawak.....	—	—	—	—	—
Singapore.....	55,000.00	40,419.10	398.76	40,817.86	14,182.14
Total Commonwealth.....	\$ 210,511,757.49	\$ 156,070,124.52	\$24,890,703.08	\$ 180,960,827.60	\$29,550,929.89
Non-Commonwealth Countries					
Burma.....	399,593.00	249,953.47	34,055.44	284,008.91	115,554.09
Cambodia.....	63,634.02	14,476.47	42,667.30	57,143.77	6,490.25
Indonesia.....	2,434.66	936.22	158.01	1,094.23	1,340.43
Laos.....	—	—	—	—	—
Nepal.....	60,000.00	60,000.00	—	60,000.00	—
Thailand.....	—	—	—	—	—
South Vietnam.....	5,700.00	—	5,690.94	5,690.94	9.06
Philippines.....	—	—	—	—	—
Total Non-Commonwealth.....	\$ 531,331.68	\$ 325,366.16	\$ 82,571.69	\$ 407,937.85	\$ 123,393.83
Total all Countries.....	\$ 211,043,089.17	\$ 156,395,490.68	\$24,973,274.77	\$ 181,368,765.45	\$29,674,323.72
Technical assistance all Countries.....	7,209,802.00	6,330,617.21	879,184.79**	7,209,802.00	—
Bureau contributions.....	—	42,507.04	—	42,507.04	—
Totals to date.....	\$ 218,293,398.21	\$ 162,768,614.93	\$25,852,459.56	\$ 188,621,074.40	\$29,674,323.72

*Technical Allocation—Expenditures to 31 March 1958 plus an allocation of \$2.0 million for 1958-59 operations.
 **This figure represents Col. 1 minus Col. 2: That is the un-expended balance of allocations as at 31 December, 1958.

***This figure represents Col. 1 minus Col. 2: That is the un-expended balance of allocations as at 31 December, 1958.

CANADIAN COLOMBO PLAN ASSISTANCE
TECHNICAL EXPENDITURES BY COUNTRIES AND YEARS

As at 31 December, 1953

TABLE No.—3

Technical Expenditures

COUNTRY	1950-54	1954-55	1955-56	1956-57	1957-58	1958-59	Total
Burma.....	\$ —	\$ 4,377.25	\$ 32,487.79	\$ 79,710.58	\$ 189,512.49	\$ 159,143.65	\$ 465,321.76
Cambodia.....	1,270.42	19,467.41	15,849.56	14,438.34	25,941.22	29,661.71	106,628.66
Ceylon.....	273,461.70	163,866.21	223,936.87	213,704.07	243,294.07	160,699.15	1,278,962.07
India.....	280,227.65	114,031.90	225,305.29	361,233.52	328,758.45	163,287.49	1,472,844.30
Indonesia.....	—	64,303.98	148,323.95	215,649.78	163,605.68	200,377.57	792,260.96
Laos.....	—	—	—	32,239.74	38,291.91	22,415.14	92,946.79
Malaya.....	44,559.17	56,006.73	43,147.03	94,733.66	52,601.84	43,763.36	334,811.79
North-Borneo.....	1,088.75	5,466.81	5,658.02	573.04	3,451.04	14,598.32	31,435.98
Pakistan.....	292,497.03	206,872.97	197,171.60	195,479.29	243,445.02	147,969.71	1,283,435.62
Philippines.....	—	—	—	—	—	2,343.96	2,343.96
Sarawak.....	—	—	1,671.30	2,746.39	30,057.59	33,678.79	68,154.07
Singapore.....	—	8,540.56	1,866.58	21,859.30	22,722.44	15,561.87	70,550.75
Thailand.....	3,542.05	2,845.37	534.01	—	15,615.91	23,442.48	45,979.82
South Vietnam.....	—	4,313.20	1,360.94	138,137.20	37,347.33	103,872.01	285,030.68
TOTALS.....	\$ 897,246.77	\$ 650,092.39	\$ 897,312.94	\$ 1,370,504.91	\$ 1,394,644.99	\$ 1,120,815.21	\$ 6,330,617.21
Bureau Contribution.....	13,897.56	7,210.87	5,081.30	6,041.25	5,114.38	5,161.68	42,507.04
	\$ 911,144.33	\$ 657,303.26	\$ 902,394.24	\$ 1,376,546.16	\$ 1,399,759.37	\$ 1,125,976.89	\$ 6,373,124.25

RECONCILIATIONS

TABLE No.—4

As at 31 December, 1958

A		C	
Funds Voted—As per Table No.—1.....		Un-Allocated Balance as per Table 4.A...	
Allocations to date as Per Table No.—2.....			
Un-Allocated Balances as at 31 Dec., 1958.			
	\$ 231,670,704.00		\$13,375,305.79
	218,295,398.21		
	<u>\$ 13,375,305.79</u>		
B		PROJECTS UNDER CONSIDERATION	
Funds Allocated to date—Table No.—2.....		<i>Commonwealth Countries</i>	
Liabilities Incurred to 31 Dec., 1958—Table		Ceylon—Balance of 1958-59 Programme.	
No. 2.....		Malaya—Balance of 1958-59 Programme.	
Un-Committed Balance at 31 Dec., 1958*		Pakistan—Balance of 1958-59 Programme	
	\$ 218,295,398.21		\$1,849,450
	188,621,074.49		500,000
	<u>\$ 29,674,323.72</u>		<u>9,000,000</u>
		Commonwealth Total.....	\$ 11,349,450
		<i>Non-Commonwealth Countries</i>	
		Burma—Balance of 1958-59 Programme.	\$ 550,000
		Cambodia—Balance of 1958-59 Programme.....	60,000
		Indonesia—Balance of 1958-59 Programme	500,650
		Laos—Balance of 1958-59 Programme...	60,000
		South Vietnam.....	200,000
		Non-Commonwealth Total.....	\$ 1,370,650
		TOTAL.....	\$ 12,720,100.00
		Present Indicated Reserve.....	655,205.79
		TOTAL ACCOUNTED FOR.....	<u>\$13,375,305.79</u>

* These Funds are required to complete Projects now under way.

"APPENDIX "B"
WEST INDIES AND GHANA ASSISTANCE PROGRAMMES—AS AT 31 DECEMBER, 1958
EXPENDITURES

Fiscal Year	Primary Allocation	Capital	Technical		Total Expenditures	Un-expended Balance 31 Dec. 1958
			Experts	Trainees		
1957-58	West Indies } Ghana	\$ —	\$ 4,033.78	\$ —	\$ 4,033.78	\$ Lapsed
1958-59	West Indies } Ghana	11,708.44* —	49,699.59 5,874.49	3,349.69 10,012.60	53,049.28 15,887.09	1,410,242.28 119,112.91
	Initial total.....	1,625,000.00				
	Less Funds which lapsed 31 March 1958.....	10,966.22				
	Totals at 31 December 1958.....	\$ 1,614,033.78	\$ 59,607.86	\$ 13,362.29	\$ 72,970.15	\$ 1,529,355.19

* While only \$11,708.44 has been expended to date, \$100,000.00 has been encumbered and contracts have been entered into with Naval Architects to prepare the necessary Plans and Specifications for the two ships for the West Indies. Payments for these plans and specifications become due and payable on delivery and acceptance. Following this, contracts will be entered into to have these ships built.

APPENDIX "C"

COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

CEYLON

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA

COMPLETED PROJECTS

1951-52-1957-58

CEYLON

MARCH 19, 1959.

Item No.	Name of Project	Allocation	Year	Completion Date	Project No.	Financial No.
		\$				
1	Flour—counterpart funds for rural road construction.....	449,904.00	53-54	Feb. 1954	30	1194
2	Flour—counterpart funds for rural road construction and Mutwal Harbour.....	606,571.00	54-55	Oct. 1954	59	2549
3	Flour—counterpart funds for rural road construction; veterinary building, Ceylon University; and trade school.....	645,000.00	56-57	April and May 1957	64	3135
4	Flour—counterpart funds for Institute of Practical Technology—Katubedde.....	493,416.00	53-54 55-56	Sept. 1956	33	2812
5	Flour—counterpart funds for laboratory construction at Ceylon University and Mutwal Harbour.....	649,949.00	53-54	May 1955	36	2610
6	Flour—Fisheries Co-operatives Schools Equipment.....	180,000.00	54-55	Dec. 1955	46	2788
7	Flour—Counterpart funds.....	1,000,000.00	57-58	Mar. 1958	77	3364
8	Two Diesel Locomotives.....	370,023.00	53-54	Oct. 1954	13	1068
9	Three Diesel Locomotives.....	486,650.00	54-55	Nov. 1954	28	2523
10	Three Diesel Locomotives.....	555,000.00	55-56	Oct. 1956	39	2700
11	Two Diesel Locomotives.....	370,000.00	56-57	1958	65	3136
12	Portable Irrigation Units.....	185,000.00	53-54	May 1957	14	1107
13	Pest Control Equipment.....	78,137.00	53-54 55-56 56-57	July 1958	17	3134
14	Equipment for University of Ceylon.....	21,003.00	53-54	Dec. 1954	18	1388
15	Railway Ties.....	183,604.00	54-55	Mar. 1955	34	2544
16	Colombo Harbour Equipment (*not including 1958-59 allocation).....	*633,000.00	54-55 55-56 57-58	Jul. 1958	25	2719
17	Gal Oya Agricultural Development Scheme.....	210,000.00	54-55	Mar. 1957	26	2698
18	Mobile Cinema Vans and Visual Aid Equipment.....	30,000.00	54-55	Nov. 1955	51	2643
19	Equipment for Junior Technical School—Galle.....	20,000.00	54-55	Nov. 1955	50	2603
20	Film Strips for Technical Education.....	1,938.00	54-55	Mar. 1955	55	2616
21	X-ray Maintenance Equipment.....	3,015.00	57-58	Feb. 1958	84	3391

UNCOMPLETED PROJECTS

1951-52-1957-58

CEYLON

MARCH 19, 1959.

Item No.	Name of Project	Allocation	Year	Project No.	Financial Encumbrance No.	Present Status of Project
		\$				
22	Fisheries Development.....	1,476,708.00	52-53 53-54 55-56 56-57	29	2854-0892-2525	Ceylon is undertaking a large fisheries development program. Canada has supplied boats, refrigeration plant, experimental equipment, trucks and fishing equipment. All present requirements have been supplied but project remains open pending receipt of further requirements.
23	Gal Oya Transmission Lines.....	1,374,572.00	52-53 56-57 57-58	15	1155	An Irrigation and Power Development Project in East Ceylon to which Canada is supplying power distribution lines. This project is allied to Item 17. Engineering 97% and construction 90% of original request complete. Extension of Project now being undertaken.
24	Agricultural Station Workshop Tools and Equipment	340,000.00	53-54 56-57	21	2502 1222	Equipment and Tools for 93 District Stations' Workshops, established by Government of Ceylon, have been shipped. Awaiting final details of requirements before completing project.
25	Institute of Practical Technology —Katubedde	309,457.00	53-54 55-56 57-58	9	10179 2804	Government of Ceylon is building a school of practical technology at Katubedde to which Canada is supplying equipment. All equipment on order has now been shipped, awaiting further details of requirements before completing project.
26	Airport Equipment Ratmalana...	292,000.00	54-55 56-57	24	2718	Government of Ceylon is modernizing international airport at Ratmalana. Canada is supplying telecommunication equipment. All has been shipped except radio link from airport to receiving station. Additional funds may be required from 1958-59 allocation.
27	Aerial Resources Survey.....	1,181,900.00	55-56 56-57 57-58	40	2720	Similar to survey made for Pakistan. Further funds required from 1958-59 program. Several phases of project completed, other phases continuing according to schedule. Awaiting approval for further \$1,200,000 program.
28	Remedial Equipment for University of Ceylon.	12,500.00	57-58	85	2417	Instructional equipment for teaching of remedial aid therapy at University of Ceylon. Shipment of material held in abeyance pending further details as to availability of suitable teaching staff.

1958-59

PROGRAM
CEYLON

MARCH 19, 1959

Item No.	Name of Project	Allocation	Project No.	Financial Encumbrance No.	Stage of Development
29	Colombo Harbour.....	\$ 40,000.00	25	2719	Continuation of Item 16. Project completed 1958.
30	Aerial Resources Survey.....	110,550.00	40	2720	This is a continuation of project started in 1956—see item 27. This sum has been expended and a further amount is required from unallocated funds to complete project.
31	Flour.....	400,000.00	96	3626	This is a similar project to Item 7. Counterpart funds are raised by Government of Ceylon from sale to manufacturers, to finance local costs of other Colombo Plan projects. Shipments expected to commence end of March, 1959.
32	To complete Aerial Resources Survey.....	1,200,000.00	—	—	Under consideration—see Item 30 above.
	Balance of funds for Ceylon unallocated and as yet undetermined.....	650,000.00			

APPENDIX "C"

COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

INDIA

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA

COMPLETED-PROJECTS

1951-52-1957-58

INDIA

March 19, 1959.

Item No.	Name of Project	Allocation	Year	Completion Date	Project No.	Financial Encumbrance
		5				
1	Wheat-Counterpart funds.....	10,000,000.	51-52	March 1952.....	1	5/1/52
2	Wheat-Counterpart funds.....	5,000,000.	52-53	January 1953.....	8	1/6/53
3	Wheat-Counterpart funds (see also Item 23)	2,000,000.	57-58	December 1957.....	79	3370
4	Mayurakshi.....	1,311,645.	51-52	November 1956.....	6	1951-52-0802
5	Locomotive Boilers for Indian Railways.....	1,815,522.	52-53	October 1954.....	11	1376-0414
6	Steam Locomotives for Indian Railways.....	21,470,970.	53-54	July 1956.....	16	1390-2535
			54-55			1213
7	UMTRU Hydro-Electric Power Development.....	1,201,956.	53-54	July 1957.....	19	1047-1444
8	Diesel Electric Generating sets.....	3,003,000.	54-55		42	2539
9	Biological Control Station, Bangalore.....	46,023.	54-55	1958		3093-3074
			57-58	August 1958.....	52	2619
10	Film Kits on Geology, Geophysics and Topography.....	275.	54-55	August 1956.....	66	3091
11	Locust Control (Trucks with 2 way radio control).....	113,792.	55-56	March 1956.....	44	51-52
12	Pest Control (Two Beaver Aircraft).....	160,000.	55-56	October 1956.....	47	2800
13	Airborne Magnetometer Survey.....	257,060.	55-56	June 1957.....	48	2801
			56-57			
14	Audio Visual Training Aids and Equipment for Co-operative Training Centres	65,000.	57-58	May 1958.....	70	3361
15	Three Cobalt Beam Therapy Units.....	120,000.	57-58	December 1958.....	87	3418
16	Cobalt Therapy Unit Source.....	8,000.	57-58	December 1958.....	90	3503
17	Bombay State Transport.....	4,352,775.	51-52	July 1954.....	3	30/6/52

UNCOMPLETED PROJECTS,

1951-52-1957-58

MARCH 19, 1959.

INDIA

Item No.	Name of Project	Allocation	Year	Project No.	F.E. No.	Present Status of Project
		\$				
18	Commodities.....	5,000,000	53-54	20	2538	This is to supplement shortage of aluminum and copper in India from sale of which to Indian manufactures the Government of India has created counterpart funds to help finance local costs of other Colombo Plan projects as agreed between Canada and India.
19	Commodities.....	10,815,000	57-58	81	3393	
20	Canada-India Atomic Reactor (NRX type)	7,000,000	55-56 56-57 57-58	43	2813 2815	An Atomic Reactor is being constructed in Bombay for power development, Isotope Production and other peaceful uses. Overall design and procurement 85% complete. Completion date scheduled for April, 1960. Further funds required from 1958-59 Program.
20	Kundah Hydro-electric Power Development, Madras	23,500,000	55-56 56-57 57-58	45	2786	Madras Electricity Board is undertaking a large power development project in the Nilgiri Hills, Canada is contributing electrical generating and related equipment, Engineering 80%, construction, 35% complete. Completion date scheduled for November 1961.
22	Railway ties.....	3,000,000	57-58	82	3392	Crescoted railway ties to assist Government of India in the rehabilitation of railways, Canada has already contributed locomotive boilers and steam boilers (see items 5 and 6). Shipments of ties are now under way and are expected to be complete by May 1959.

MARCH 19, 1959

PROJECTS

1958-1959

INDIA

Item No.	Name of Project	Allocation	Project No.	F.E. No.	Present Status of Project
		\$			
23	Wheat (see Item 3).....	5,000,000	79	3370	Completed December 1957. A continuation of Item 3, and related to Items 1 and 2. Counterpart funds have been established by Government of India from sale of wheat to finance local costs of other Colombo Plan projects agreed to between Canada and India.
24	Canada-India Atomic Reactor (NRX)	1,000,000	43	2815	To complete construction of Atomic Reactor in Bombay. A continuation of Item 20. Project expected to be complete April 1960.
25	Commodities (see also similar project Item 19)	10,500,000	101	3641	Supplies of copper, aluminum and nickel are needed by Government of India to supplement shortage. From sale of these commodities counterpart funds will be established to finance local costs of other Colombo Plan projects agreed between Canada and India.
26	Fertilizers.....	2,500,000	103	3651	Chemical fertilizer is required by the Indian Department of Agriculture. Tenders will be called as soon as firm specifications are received from India.
27	Railway ties (See also similar project Item 25)	2,500,000	102	3647	Crossed railway ties to assist Government of India in the rehabilitation of railways. This is a similar project to Item 22. Tenders are now being called and orders will be placed shortly.
28	Atomic materials.....	380,000	105	—	This is special equipment and materials for Indian Atomic Energy program. Awaiting fuller details of requirements before proceeding with this project.
29	Cobalt Therapy Unit (See also similar project—Item 15)	120,000	104	—	Three cobalt therapy units required for cancer control in hospitals in Vellore, Trivandrum and Cuttack. This is a similar project to Item 15 under which three units were sent to hospitals in Ludhiana, Bombay and Chittaranjan.

APPENDIX "C"

COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

PAKISTAN

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA

COMPLETED PROJECTS

1951-52-1957-58

PAKISTAN

MARCH 19, 1959

Item No.	Name of Project	Allocation	Year	Completion Date	Project No.	Financial Encumbrance
		\$				
1	Cement Plant.....	6,541,547	1951-52 1952-53 1954-55 1956-57	January 1957.....	5	1324
2	Railway Ties.....	2,770,490	1951-52	January 1957.....	4	21/1/55
3	Aerial Resources Survey.....	2,000,000	1952-52	Project completed but extended and carried on under Project No. 35 (Item 15)	12	842
4	Thal Experimental Farm.....	196,745	1951-52	May 1956.....	2	22/1/52
5	Wheat-Counterpart Funds.....	5,000,000	1952-53	December 1952.....	7	0336
6	Wheat-Counterpart Funds (see also similar projects Items 23 and 24) ..	2,000,000	1957-58	December 1957.....	76	3363
7	Beaver Aircraft for Pest Control.....	176,807	1952-53	October 1953.....	10	1377
8	Biological Control Station-Rawalpindi.....	55,383	1954-55 1957-58	August 1958.....	53	2620
9	Hatching Eggs and Incubator.....	3,106	1954-55	March 1955.....	57	2613
10	Two Mobile Dispensaries.....	11,795	1955-56	November 1954.....	32	2545
11	Equipment for Tractor Training School, East Pakistan.....	18,000	1955-56	1956	31	2544
12	Trucks for Locust Control.....	80,414	1956-57	August 1957.....	62	3144
13	Tarnab Farm Workshop.....	2,400	1957-58	May 1958.....	75	3230

PAKISTAN

Item No.	Name of Project	Allocation	Year	Project No.	Financial Encumbrance	Present Status of Project
14	Warsak Hydro-Electric and Irrigation Project.....	36,621,762	1952-53 1953-54 1954-55 1955-56 1956-57 1957-58	22	0802-2509	Design and construction of Dam and Power House on the Kabul River in North-West Pakistan, also supply of electrical generating and related equipment. Engineering 85% and construction 60% complete. Scheduled completion date: September 1960.
15	Aerial Resources Survey.....	1,292,990	1953-54 1954-55 1955-57 1957-58	35	0842	Agricultural survey of West Pakistan. Final report expected early 1959. This is a continuation of Project No. 12, which was completed. See Item 3.
16	Shadiwal Hydro-Electric Power Development.....	3,507,095	1953-54 1957-58	38	1103 and 2640	This is a power and irrigation scheme north of Lahore, Canada assisting by supplying a power station, dewatering and construction equipment, design and supply of generating and power house equipment. Engineering 75%, construction 55% complete. Scheduled completion date: March 1961.
17	Ganges-Kobadak Project.....	1,306,343	1954-55	23	2516	An irrigation and power development project in East Pakistan to which Canada is supplying a steam thermal plant. It is expected to be ready for testing July 1959.
18	Dacca-Chittagong Electric Distributory Link.....	5,606,343	1954-55 1957-58	27	2522	Contribution of transmission towers, etc., for wider distribution of power being generated by small power units in East Pakistan. Engineering 75%, construction 5% complete. Scheduled completion date: December 1960.
19	Commodities.....	1,000,000	1954-55	37	2668	To supplement shortage of aluminum and copper, from sale of which to Pakistani manufacturers the Government of Pakistan has created counterpart funds to finance other Colombo Plan projects as agreed between Canada and Pakistan. Only \$141,082 worth remains to be shipped.
20	Goalpara Thermal Station (Khulna).....	2,000,000	1955-56	41	2797	Contribution of a 20,000 K.W. thermal power plant at Khulna for development of power in East Pakistan. Project expected to be completed in 1959.
21	Bheramara-Kushtia Transmission Lines (Khulna).....	1,000,000	1957-58	78	3373	A transmission line to distribute power generated by Goalpara Thermal Station being constructed at Khulna (see Item 20). This project will not be commenced until Goalpara is completed.
22	Equipment and Materials for Sub-Critical Reactor.....	100,000	1957-58	91	3500	Government of Pakistan wishes to establish a sub-critical reactor for experimental and teaching purposes. Canada has been asked to supply equipment and materials. Awaiting fuller details of requirements before commencing this project.

STANDING COMMITTEE

PROJECTS
1958-59
PAKISTAN

March 19, 1959.

Item No.	Name of Project	Allocation	Project No.	Financial Encumbrance	Present Status of Project
23	Wheat (see also items 5 + 6 + 24)	\$ 2,000,000	97	3625	Shipped January 1959. Government of Pakistan has established counterpart funds from sale to manufacturers for financing local cost of other Colombo Plan projects, as agreed between Canada and Pakistan.
24	Wheat (see also items 5 + 6 + 23)	\$ 2,000,000	98	3631	
25	Karnafuli Transmission Lines....	\$ 1,100,000			Under consideration
26	Commodities—copper aluminum..	\$ 2,800,000			
27	Beaver Aircraft for Pest Control	\$ 200,000			
28	Warsak Equipment Repair (see Item 14).....	\$ 500,000			
	Balance of funds for Pakistan unallocated and as yet undetermined.....	\$ 4,400,000			

APPENDIX "C"

COLOMBO PLAN CAPITAL ASSISTANCE PROJECTS

OTHER COUNTRIES

Fiscal years 1951-52 — 1958-59 (as at 19 March 1959)

ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

OTTAWA

COMPLETED PROJECTS

MARCH 19, 1959.

1951-52-1957-58

OTHER COUNTRIES

Item No.	Project	Allocation	Year	Completion Date	Project No.	Financial Encumbrance
\$						
BURMA						
1	Cobalt Beam Therapy Unit.....	45,000	55-56	1958	54	2,803
2	Text Books for University of Rangoon.....	1,013	55-56	Sep. 1955	56	2,781
3	Equipment for permanent training centre—Rangoon.....	19,050	55-56	1956	58	2,808
4	Rangoon Technical High School Equipment.....	85,000	56-57	1958	60	2,943
5	Photogrammetric Equipment for Burma Survey Department.....	40,000	56-57	1958	61	2,962
6	Workshop Equipment—Agricultural Development—Central and District Shops	40,000	57-58	1958	71	3,362
7	Fisheries Equipment.....	2,500	57-58	Mar. 1958	83	3,389
CAMBODIA						
8	Mobile Veterinary Service Clinics.....	13,634	54-55	June 1955	49	2,621
INDONESIA						
9	Gresik Cement Plant Library.....	435	56-57	Mar. 1957	67	3,147
10	Books and Journals—Academy of Public Administration—Malang.....	2,000	57-58	1958	74	3,233
MALAYA						
11	Aero-Magnetic and Radio-Activity Survey.....	201,000	56-57	1958	63	3,121
12	Text Books—Junior Technical (Trade) School—Kuala Lumpur.....	600	57-58	1957	72	3,231
13	Small Tools—Electrical Department, Technical Institute, Kuala Lumpur.....	3,000	57-58	Sept. 1957	73	3,232
14	Text Books—Technical Institute—Kuala Lumpur.....	5,000	57-58	1958	80	3,390

COMPLETED PROJECTS

MARCH 19, 1959

1951-52-1957-58

OTHER COUNTRIES

Item No.	Project	Allocation	Year	Completion Date	Project No.	Financial Encumbrance
\$						
NORTH BORNEO						
15	Trade School Equipment—Jesselton.....	3,000	57-58	Oct. 1958	89	3,488
SINGAPORE						
16	University of Malaya Equipment.....	5,000	56-57	1958	88	3,495
SOUTH VIETNAM						
17	Laboratory Equipment—University of Dalat.....	5,700	57-58	1958	86	3,475

UNCOMPLETED PROJECTS

MARCH 19, 1959

1951-52-1956-57

OTHER COUNTRIES

Item No.	Project	Allocation	Year	Project No.	Financial Encumbrance	Stage of Development
\$						
SINGAPORE						
18	Singapore Polytechnic School Equipment.	50,000	56-57	68	3,260	Government of Singapore is building a new Polytechnic School to which Canada is supplying equipment and machinery for woodworking shop. All equipment at present on order has been shipped. Awaiting details of final requirements before completing project.

MARCH 19, 1959.

1953-59 PROGRAM

OTHER COUNTRIES

Item No.	Project	Allocation	Project No.	Financial Encumbrance	Present Status of Project
		\$		BURMA	
19	Highways Survey.....	160,000	93	3,551	Survey to determine maintenance and future development of highways. Project commenced and initial reports have been received. Further stages under consideration.
20	Prospecting Equipment.....	7,000	94	3,614	Equipment necessary to assist Government of Burma's development of natural resources, and is now on order.
21	Surplus Foodstuffs.....	400,000	—	—	Under negotiation with Government of Burma.
22	Extension to Highway Survey.....	117,000	—	—	Under consideration.
				CAMBODIA	
23	Fish Dryer—Cooling Room.....	50,000	95	3,613	This program has been held in abeyance owing to changing conditions.
24	Surplus Foodstuffs.....	60,000	—	—	Under negotiation with Government of Cambodia.
				INDONESIA	
25	Surplus Foodstuffs.....	500,000	—	—	Under negotiation with Government of Indonesia.
26	Law Faculty Library.....	650	—	—	Under consideration.
				MALAYA	
27	Workshop Equipment—Small Industries Institute.....	12,000	—	—	Under consideration.
28	Soil Science Equipment Dept. of Agriculture.....	5,500	—	—	Under consideration.
29	Geological and Foundation Exploration Equipment.....	15,000	—	—	Under consideration.
30	Refrigeration Equipment.....	100,000	—	—	Under consideration.
31	Trucks for Road Construction and/or Equipment for Airport.....	376,500	—	—	For possible consideration.

SOUTH VIETNAM

32	Surplus Foodstuffs.....	150,000	—	Under negotiation with Government of South Vietnam.
33	Equipment for University of Dalat.....	50,000	—	Under consideration.
LAOS				
34	Surplus Foodstuffs.....	60,000	—	Under negotiation with Government of Laos.
NEPAL				
35	Wheat.....	60,000	92	Shipped December 1957. Counterpart funds raised by Government of Nepal for local costs of other possible future Colombo Plan projects as agreed to by Canada and Nepal.

APPENDIX "D"

**ECONOMIC AND TECHNICAL ASSISTANCE BRANCH
DEPARTMENT OF TRADE AND COMMERCE
STATISTICAL SUMMARY OF
TECHNICAL CO-OPERATION PROGRAMS
1950 — 31 DECEMBER 1958**

TABLE 1
NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1953,
BY AGENCY FOR WHICH TRAINING WAS ARRANGED AND ARRIVALS AND DEPARTURES EACH YEAR

	Arrivals										Departures										Number in Canada as at Dec. 31 1958	Compar- ative Number in Canada as at Dec. 31, 1957
	1950	1951	1952	1953	1954	1955	1956	1957	1958	Total	1951	1952	1953	1954	1955	1956	1957	1958	Total			
Colombo Plan.....	—	59	41	61	83	139	253	202	182	1,020	30	45	32	69	89	182	173	210	830	190	218	
United Nations.....	6	31	80	57	32	23	29	31	31	320	28	59	71	37	25	31	32	34	317	3	6	
UNESCO.....	—	—	15	14	5	6	6	14	4	64	—	6	15	13	6	4	16	4	64	—	—	
FAO.....	—	—	2	6	1	9	6	16	10	50	—	2	6	1	8	5	18	7	47	3	—	
ICAO.....	—	—	3	2	—	2	2	3	—	12	—	1	4	—	—	4	2	1	12	—	1	
ILO.....	—	—	—	1	1	1	2	2	2	9	—	—	1	1	1	1	2	3	9	—	1	
ICA.....	—	—	—	2	6	23	14	61	132	238	—	—	2	6	23	14	59	110	223	15	2	
Others*.....	—	—	—	—	1	—	1	6	25	33	—	—	—	1	—	1	6	25	33	—	—	
West Indies Plan.....	—	—	—	—	—	—	—	—	5	5	—	—	—	—	—	—	—	1	1	4	—	
Ghana Plan.....	—	—	—	—	—	—	—	—	3	3	—	—	—	—	—	—	—	—	—	3	—	
GRAND TOTAL.....	6	90	141	143	129	203	313	335	394	1,754	58	113	131	128	152	242	308	404	1,536	218	228	

*IBRD
Canadian—Scandinavian Foundation
Swedish American Foundation
Puerto Rican Government
Harvard University
Indian Government

TABLE 2

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958, BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	Calendar Years 1950-1957										From 1 January 1958 to Date							Grand Total
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others		Total
Afghanistan.....		1	1						4									
Alaska.....		1							1									
Argentina.....			1						1									
Australia.....		3							3									
Austria.....		1	2						3		1						1	1
Belgium.....		1	1						2		1							
Bolivia.....		4	1		1				6		1							
Brazil.....		11					4		15		1							
British Guiana.....		6					1		7		1							
Burma.....		8	2	1	1	1			13		1							
Cambodia.....	52	1	2				2		5		1							
Ceylon.....	10	1	1				1		3		1							
Chile.....	63	1	1	2			4		4		1		3			4		
Colombia.....		8							8		1						1	1
Costa Rica.....		6		1		1			8									
Cuba.....		1					7		8						3		3	10
Cyprus.....				2					2									2
Denmark.....		2	3						5									5
Ecuador.....		3	2						5									5
El Salvador.....		19		2	1				21		1		1					22
Ethiopia.....		1							1		3					2	1	5
Finland.....		16							16							2		6
France.....		5		3	2				10		1							21
French Togoland.....			1				1		2									1
C/Fwd.....	125	99	20	12	8	2	22		288	43	10	2	4			36	3	98
																		386

STANDING COMMITTEE

TABLE 2—Con.

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958, BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Calendar Years 1950-1957										From 1 January 1958 to date							Grand Total		
Country	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA		West Indies and Ghana plans	Others	Total
B/Fwd.....	125	99	20	12	8	2	22	—	288	43	10	2	4	—	—	36	.....	3	98
Germany.....							1		1								.....	
Ghana.....																	3		3
Gold Coast.....		3							3										3
Greece.....		1	1						2							1		2	3
Guatemala.....		1		1					3										3
Haiti.....		6	5			1			12							2			2
Honduras.....																3			3
Hong Kong.....		2							2										2
India.....	257	26	4	4			1	3	295	34						1		6	41
Indonesia.....	129	3	2		1		9		144	34	1		1			3		1	38
Iran.....		11	1	2			5	1	21							4		27	27
Iraq.....		4	1	2					7							5		12	12
Israel.....		10					7	1	20		1		1					2	22
Japan.....		3	1						4		1							2	4
Jordan.....		4	1						5										5
Korea.....		11					11		22							25			25
Laos.....	16								16	1									17
Lebanon.....		1							1										1
Liberia.....																		2	2
Malaya.....	10		1						11	7									18
Malta.....		2							2										2
Mexico.....		4		1			1		6				1			1		1	4
Morocco.....		4																	2
Morocco.....		3							3										3
Nepal.....		8																	8
Netherlands.....		1							1										1
New Zealand.....																			1
Nicaragua.....					1				1							1			2
Nigeria.....		2							2										2
North Borneo.....									1										1
Norway.....	1	3	1				1		5										5
Nyassaland (Nether-lands Citizen).....			1						1										1
Pakistan.....	232	28	4	1		1	7		273	25						5		1	31
C/Fwd.....	770	228	46	24	10	4	65	5	1,152	148	16	4	7	1		87	3	18	284
																			1,436

TABLE 2—*Cont.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958, BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Country	Calendar Years 1950-1957										From 1 January 1958 to date									
	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	West Indies and Ghana plans	Others	Total	Grand Total
B/Fwd.....																				
Panama.....	770	228	46	24	10	4	65	5	1,152	148	16	4	7	1	87	3	18	284	1,436	
Paraguay.....		2							2		1							5	7	
Peru.....																		1	1	
Philippines.....		5																2	2	
Poland.....				1	1	14			21	1	2							3	12	
Puerto Rico.....																			33	
Saudi Arabia.....	3							1	1									2	2	
Sarawak.....																			3	
Singapore.....																			2	
Solomon Islands.....	6	2					1		3	2									1	
Southern Africa.....		1						1	8										8	
Southern Rhodesia.....		1	1						2										2	
Sweden.....				1					2										2	
Switzerland.....		3				1		1	5										1	
Syria.....		2							1										5	
Taiwan.....			5	1					6										2	
Tanzania.....		16	1				3		20		3		1		1	5		1	7	
Thailand.....									1										2	
Trinidad.....	3	6	5	2	1	1	16		34	2									29	
Tunisia.....																			1	
Turkey.....											1								1	
United Kingdom.....		2	1	9			1	1	13		2								46	
Uruguay.....		4	1				2		2		1		2		1	10		1	4	
Venezuela.....							1		6									2	18	
Viet Nam.....		4							4		1								7	
Virgin Islands.....																			3	
West Indies.....	56						1		57	29						6	1	36	93	
Yugoslavia.....		3							3										3	
		8		2			2		12								5		17	
		2							2		4					6		10	12	
Grand Total.....	838	289	60	40	12	7	106	8	1,360	182	31	4	10	2	132	8	25	394	1,754	

TABLE 3
NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION
SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Calendar Years 1950-1957											From 1 January 1958 to date									
Field of study	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	West Indies and Ghana plans	Others	Total	Grand Total
AERIAL SURVEY.....	5								5	3									3	8
Photogrammetry.....	8								8											16
AGRICULTURE.....	16								17	9									9	26
Agromony.....	2		1	1					3											3
Animal Husbandry.....	7								7	1									1	8
Biological Control.....	2								2										2	2
Botany.....	3			1					4											5
Cereal Technology.....										1			2						3	3
Chemistry.....	4								4	1									1	5
Dairying.....	1								1										1	4
Economics.....	3								3	1									1	4
Engineering.....	3								3											3
Entomology.....	47		1						48	30									30	78
Farm Mechanics.....										1			2						1	1
Fertilizer Manufacture.....	4			1					5										2	7
Grain Storage and Distribution.....		1							1											1
Government Agricultural Administration.....	15			10					25											25
Helmimithology.....	2			1					3											3
Horticulture.....	1								1										1	1
Meat Packing and Cold Storage.....	1								1											1
Mycology.....		1		1					2											2
Plant Pathology.....	2								2											2
Soil Science.....	3			1					4											4
Tobacco Research and Production.....	8			1					9	1									1	10
Veterinary Science.....	2	1							3											4
	5	2							7											7
									153											202
C/Fwd.....	141	5	2	18	—	—	—	—	166	48	—	—	4	—	—	—	—	—	52	218

TABLE 3—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION
 SERVICE FROM 1950 TO 31 DECEMBER 1953 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1957								From 1 January 1958 to date								Grand Total			
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA		West Indies and Ghana plans	Others	Total
B/Fwd.....	141	5	2	18	—	—	—	—	166	48	—	—	4	—	—	—	—	—	52	218
ACCOUNTANCY.....	20	10	—	—	—	—	—	1	31	4	—	—	—	—	1	—	—	—	5	36
AVIATION.....	1	—	—	—	9	—	—	—	10	2	—	—	—	—	—	—	—	—	2	12
BANKING.....	1	1	—	—	—	—	4	—	6	—	—	—	—	—	9	—	—	—	9	15
BIOCHEMISTRY & ENZYMOLOGY.....	5	—	—	—	—	—	—	—	5	1	—	—	—	—	—	—	—	—	1	6
BUSINESS ADMINISTRATION.....	3	2	—	—	—	—	—	—	5	—	—	—	—	—	—	—	—	—	—	5
CEMENT MANUFACTURE	6	1	—	—	—	—	—	—	7	22	—	—	—	—	—	—	—	—	2	9
Pre-Cast Concrete Manufacture.....	1	—	—	—	—	—	—	—	1	8	—	—	—	—	—	—	—	—	1	10
CHEMICAL INDUSTRY.....	5	—	—	—	—	—	—	—	—	5	—	—	—	—	—	—	—	—	—	5
CHEMISTRY.....	18	—	—	—	—	—	—	—	18	3	1	—	—	—	—	—	—	—	4	22
COMMERCE.....	9	—	—	—	—	—	—	1	10	1	1	—	—	—	—	—	—	—	2	12
CO-OPERATIVES AND MARKETING.....	41	10	3	7	—	2	5	—	68	4	—	—	—	—	—	—	—	—	4	72
ECONOMICS.....	2	1	1	—	2	—	—	—	6	3	4	—	—	—	—	—	—	—	7	13
EDUCATION.....	20	—	37	—	—	—	—	—	57	1	—	2	—	—	8	—	—	—	11	68
Educational Psychology.....	—	—	2	—	—	—	1	—	3	60	—	—	—	—	—	—	—	—	3	71
ENGINEERING.....	5	—	—	—	—	—	—	—	5	1	—	—	—	—	—	—	—	—	1	6
Agricultural (See Agriculture)	19	—	—	—	—	—	—	—	19	—	—	—	—	—	—	—	—	—	—	19
Applied Chemical.....	5	1	1	—	—	—	—	—	7	3	—	—	—	—	—	—	—	—	3	10
									31	—	—	—	—	—	—	—	—	—	—	35
C/Fwd.....	302	31	46	25	11	12	10	2	429	73	6	2	4	—	—	18	—	—	103	532

TABLE 3—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION
 SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1957										From 1 January 1958 to date									
	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	West Indies and Ghana Plans	Others	Total	Grand Total
ENGINEERING— (Cont'd)																				
B/Fwd.....	302	31	46	25	11	2	10	2	429	73	6	2	4			18			103	532
Civil.....	30	9							39	5									5	44
Electrical.....	25	6							31	9									10	41
Hydro-Electrical.....	29	4							33	3						1			3	36
Irrigation.....	5								5											5
Marine.....																			1	1
Mechanical.....	30								30	1									1	31
Mining (see mining)										5									5	35
Nuclear.....	32								32											32
Radio.....	3								3	1									1	3
Thermal-Electrical.....	1								1											1
Thermo-Dynamics.....																				
FISHERIES.....	19	1		5			1		174	7	1		3						11	196
Forestry.....	18	2		5			5		26	5			1				3		9	37
Geology.....	10	6							30	14									14	39
HEALTH SERVICES.....									16											30
Anaesthesiology.....	2								2											2
Anatomy.....	1								1											1
Bacteriology.....	3								3											3
Cardiology.....	3								3											3
Dentistry.....	3								3											3
Dermatology.....	1								1				1						1	13
C/Fwd.....	517	59	46	35	11	2	16	2	688	123	7	2	8			19	3		162	850

TABLE 3—Con.

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1957										From 1 January 1958 to date									
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	West Indies and Ghana plans	Others	Total	Grand Total
B/Fwd.....	618	63	46	36	11	2	20	2	798	143	7	2	8			29	6		195	993
HOUSING AND TOWN PLANNING.....		5							5	7									7	12
IMMIGRATION AND SETTLEMENT.....	6						1		7		1								1	8
INDUSTRIAL DEVELOPMENT AND MANAGEMENT.....	7	10							17											17
INSURANCE.....		1							1											1
IRON AND STEEL INDUSTRY.....	1	1							2											2
LABOUR.....	3					1	3		7						2				2	9
LIBRARY SCIENCE.....	2								2											2
MATHEMATICS.....	1								1											1
METEOROLOGY.....		2	1		1				4											4
MINING.....	7	8						15				-1							1	16
BENEFICIATION & PROCESSING.....										2									2	2
ENGINEERING.....	4								4	6									6	10
LABOUR SAFETY.....						2			2										—	2
OPTICS.....	1								1										—	28
OIL AND GAS WELL CONSERVATION.....	1	1																	1	1
OIL AND GAS TECHNOLOGY.....	3								2										2	2
PALaeONTOLOGY.....	1								3	1									1	4
PATENTS, COPYRIGHTS & TRADEMARKS.....									1											1
C/Fwd.....	655	91	47	36	12	5	24	2	872	160	8	3	8			3			4	4
																34	6		219	1 001

TABLE 3—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION
 SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1957										From 1 January 1958 to date									
	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNESCO	FAO	ICAO	ILO	ICA	West Indies and Ghana plans	Others	Total	Grand Total
B/Fwd.....	655	91	47	36	12	5	24	2	872	160	8	3	8	34	.....	.....	6	.....	219	1,091
PHOTOLOGY.....	2	1	.....	.....	.....	.....	.....	.....	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3
PHOTOGRAPHY.....	1	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
PHYSICS.....	5	.....	.....	.....	.....	.....	.....	.....	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5
Nuclear Physics.....	4	.....	.....	.....	.....	.....	.....	.....	4	1	.....	.....	.....	.....	.....	.....	.....	.....	1	4
.....	.....	.....	.....	.....	.....	.....	.....	.....	9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	10
POLICE ADMINISTRATION.....	20	.....	.....	.....	.....	.....	6	.....	26	1	.....	.....	.....	2	.....	.....	.....	.....	3	29
PRINTING AND ENGRAVING.....	1	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
PSYCHOLOGY.....	1	.....	2	.....	.....	.....	.....	.....	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3
Child Psychology.....	1	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
.....	.....	.....	.....	.....	.....	.....	.....	.....	4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
PUBLIC ADMINISTRATION.....	45	41	.....	.....	.....	1	37	.....	124	2	9	.....	.....	37	.....	1	.....	5	54	178
PUBLIC FINANCE.....	9	44	.....	.....	.....	.....	22	2	77	4	2	.....	.....	29	.....	.....	.....	19	54	131
PUBLIC INFORMATION SERVICES.....	2	.....	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
Journalism.....	4	.....	.....	.....	.....	.....	.....	.....	7	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	8
Film Board.....	2	1	5	.....	.....	.....	1	.....	9	2	.....	1	.....	.....	.....	.....	.....	.....	2	11
Radio Broadcasting and Television.....	11	2	3	.....	.....	.....	.....	.....	16	3	.....	.....	.....	.....	.....	.....	1	.....	4	20
.....	.....	.....	.....	.....	.....	.....	.....	.....	34	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	41
C/Fwd.....	766	180	57	36	12	6	90	4	1,151	173	19	4	8	102	.....	8	.....	24	338	1,489

TABLE 3—*Con.*
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION
 SERVICE FROM 1950 TO 31 DECEMBER 1958 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1957										From 1 January 1958 to date									
	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	Others	Total	Colombo Plan	United Nations	UNES- CO	FAO	ICAO	ILO	ICA	West Indies and Ghana plans	Others	Total	Grand Total
B/FWD.....	766	180	57	36	12	6	90	4	1,151	173	19	4	8			102	8	24	338	1,489
PULP AND PAPER MANUFACTURE.....	14			2				1	17				1						1	18
RAILWAYS.....	19	24						3	46		1								1	47
REFRIGERATION.....	1								1											1
RIVERS SURVEY AND CONSERVANCY.....	3	1							4											4
ROAD AND/OR RIVER TRANSPORT.....	5	3							8	1									1	9
RUBBER MANUFACTURE.....										1									1	1
SOCIAL WELFARE.....	7	46	2	1			1		57	2	7							1	10	67
STATISTICS.....	16	27	1	1		1	15		61	3	4		1		2	24			34	95
TECHNICAL TRADES.....																			2	2
TELECOMMUNICATIONS.....	7	8							15	1						4			5	20
TRADE FAIR TECHNIQUES.....										1									1	1
TOTAL.....	838	289	60	40	12	7	106	8	1,360	182	31	4	10		2	132	8	25	394	1,754

TABLE 4
NUMBER OF EXPERTS RETAINED FOR SERVICE ABROAD FOR COLOMBO PLAN COUNTRIES AND THE WEST INDIES FROM 1950 TO 31 DECEMBER 1958,
BY COUNTRY AND DEPARTURES AND RETURNS EACH YEAR

	Sent Abroad								Returned to Canada							Number abroad as at 31 December 1958	Comparative number as at December 31, 1957
	1951	1952	1953	1954	1955	1956	1957	1958	Total	1953	1954	1955	1956	1957	1958			Total
COLOMBO PLAN																	
Burma.....				1	1	1	3	4	10			1	1	1		3	4
Cambodia.....				2	1	1			4		1	2	1			4	
Ceylon.....	2	5	7	9	5	5	5	3	41	3	5	5	5	3	8	29	17
India.....				3	3	3	7	4	20				2	10	4	16	4
Indonesia.....				1	1	2	1	3	8				2			2	6
Laos.....							1		1					1		1	
Malaya.....			6	2	1	6			15		3	1	4	4	2	14	3
North Borneo.....				1					1				1			1	
Pakistan.....			4	4	3	2	1	2	16	1	1	7	1	3	2	15	1
Sarawak.....							3	1	4								4
Singapore.....						1	1	1	3					1	1	2	1
Thailand.....							1		1								1
Two or more countries.....			4	1				1	6	4	1				1	6	1
TOTAL COLOMBO PLAN.....	2	5	21	24	15	21	23	19	130	8	11	16	17	23	18	93	37
WEST INDIES.....								7	7						2	2	5
GHANA.....								2	2						2	2	
GRAND TOTAL.....	2	5	21	24	15	21	23	28	139	8	11	16	17	23	22	97	37

HOUSE OF COMMONS

Government
Publications

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

THURSDAY, APRIL 16, 1959

ESTIMATES OF THE DEPARTMENT OF EXTERNAL
AFFAIRS—1959-60

WITNESS:

General A. G. L. McNaughton, Chairman, Canadian Section of the
International Joint Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
and Messrs.

Aitken (Miss),	Jones,	Montgomery,
Allard,	Jung,	Nesbitt,
Argue,	Kucherepa,	Nugent,
Cardin,	Lafrenière,	Pearson,
Crestohl,	Lennard,	Pratt,
Dinsdale,	MacLellan,	Richard (<i>Ottawa East</i>),
Dorion,	Macnaughton,	Smith (<i>Calgary South</i>),
Eudes,	Macquarrie,	Stinson,
Fairfield,	Mandziuk,	Valade,
Garland,	Martin (<i>Essex East</i>),	Vivian.
Hellyer,	McCleave,	
Herridge,	McGee,	

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, April 16, 1959.

The Standing Committee on External Affairs met at 9.15 a.m. this day. The Chairman, Mr. H. O. White, presided.

Members present: Miss Aitken, Messrs. Allard, Crestohl, Fairfield, Garland, Herridge, Kucherepa, Lennard, MacLellan, Mandziuk, McCleave, McGee, Montgomery, Nugent, Pratt, Smith (*Calgary South*), Stinson and White—18.

In attendance: From The International Joint Commission (Canadian Section): General A. G. L. McNaughton, Chairman; Miss E. M. Sutherland, Secretary; Mr. D. G. Chance, Assistant Secretary; Mr. E. R. Peterson, Engineering Adviser; Mr. J. L. MacCallum, Legal Adviser; and Mr. A. J. Murphy, Draftsman.

The Chairman read into the record information sought at the previous meeting. He also invited Committee members to submit recommendations for inclusion in the Committee's "Report to the House".

The Committee resumed its consideration of the Main Estimates, 1959-60, of the Department of External Affairs.

The following items respecting the International Joint Commission were called and considered:

Item numbered 96—Salaries and Expenses of Canadian Section;

Item numbered 97—Canada's share of expenses of studies and investigations of International Joint Commission.

General McNaughton, aided by his assistants, outlined the work of the International Joint Commission in Canada from the East Coast to the Souris River in Manitoba. In his statement he especially dealt with water levels in international waters, hydro-electric power and air and water pollution.

At 11.00 a.m. the Committee adjourned until 9.00 a.m. Thursday, April 23, 1959.

E. W. Innes,
Acting Clerk of the Committee.

EVIDENCE

THURSDAY, April 16, 1959.

9.00 a.m

The CHAIRMAN: Gentlemen, please come to order. We now have a quorum. You will recall at the last meeting there were one or two questions to be answered. One of them related to the term helminthology. I now have an explanation for you from Dr. Ault.

Helminthology is a branch of parasitology which deals particularly with the study of parasitic worms. The trainee involved was Dr. Devendra Prasad, lecturer in zoology at the University of Patna, India, who came to Canada in September 1955 to study at Macdonald College. He received his Ph.D. degree in June 1957 and returned to India to resume his teaching appointment. His special field of study was "The effects of micro-environment of the free-living stages of some nematodes."

The members of the committee might be interested in the comments of Dr. T. W. M. Cameron, professor of parasitology at Macdonald College, who wrote to us on Dr. Prasad's graduation as follows:

"He obtained first-class standing in his written examination and received a mark of 'excellent' from both the internal and external examiners on his thesis. It is unusual to achieve the grade of excellent from both examiners. On his oral examination following the submission of his thesis, Dr. Prasad acquitted himself so well that I am convinced that not only is he a first-class scientist, but also a first-class teacher".

I also invite members of the committee to make suggestions and recommendations for the committee's "Report to the House".

Mr. McCLEAVE: May we hope that this scientist shares this rich experience with the Committee on Agriculture of the House of Commons?

The CHAIRMAN: I hope so. But since he has returned to India I suppose the only thing which is available would be a copy of his thesis. This could be obtained, no doubt.

Now, gentlemen, we are once again welcoming to this committee General McNaughton. He will of course, as you know, be dealing with the problems of the International Joint Commission.

I think all Canadians appreciate the work and negotiations that he has carried on very successfully with the United States. So, without further ado, I now call items 96 and 97.

INTERNATIONAL JOINT COMMISSION

Item No. 96. Salaries and Expenses of the Commission including, subject to the approval of the Governor in Council and notwithstanding the International Boundary Waters Treaty Act, as amended, payment of salary of the Chairman at \$17,500 per annum		\$ 112,124
Item No. 97. Canada's share of the expenses of studies, surveys and investigations of the International Joint Commission		\$ 116,110
		<hr/> \$ 228,234

I will call on General McNaughton who needs no introduction to this Committee.

General A. G. L. McNAUGHTON, M. C. (*Chairman, Canadian Section, International Joint Commission*): Thank you, sir. Mr. Chairman, it is indeed a very great privilege to come before this committee and to have the opportunity which I have had on several occasions over the last few years to bring to your attention the problems along the boundary between Canada and the United States in respect to boundary waters and rivers which flow across the boundary; to endeavour to give you the factual information which is necessary for an appreciation of this problem, and particularly for an evaluation of the very, very large Canadian interests which are involved and which we must share, of course, with our neighbours to the south. We must see to it, I think, that whatever division is made is an equitable one, and that the interests of our country are properly protected. That is what we are trying to do in the International Joint Commission.

To day I thought that the usual procedure which we have followed in the past seems to commend itself to the members. So I shall start with the various projects which we have before the commission and work from east to west, giving you a brief account not of the whole project but of the progress which has been made, and how we are getting along with the various studies in which we are engaged.

The purpose of this is to provide information, so that if I move over parts of it too quickly, I will certainly welcome the members asking questions at any time, because that would give me a chance to focus the information to suit the demand and requirements of the group that is here. If that is agreeable, I shall start with the Passamaquoddy tidal power project on the east coast at the mouth of the St. Croix river.

The tides at the mouth of the Bay of Fundy are very large compared with the usual tides experienced at other places on the ocean. They are made so by the topography of the region. In consequence, the possibility of obtaining useful power development there has engaged the attention of many people for many years.

In fact, under the influence of the late President Roosevelt, a development was started before World War II, but it was found to be too expensive on the basis they were then following, and it had to be abandoned.

Interest revived about November 1948, and as a result of that revival of interest the commission was asked to review all the plans which had been made, to make an analysis of the possibilities, and to advise the governments as to what should be done in the way of investigations in order to provide information necessary to objective conclusions in this matter.

The commission collected all the information relating to past endeavours, and in 1950 it made a report to the governments which outlined the investigations which would be required and the costs which would be incurred, and arrangements were made between the two countries to provide the funds. Then the commission was invited to proceed.

That instruction to the commission was comprised in similar letters which were sent, on August 2, 1956, to the two sections of the commission by the respective governments. The commission then proceeded to organize the work and to get started.

There were two distinct aspects of this work which had to be looked at. One, of course, was the engineering possibilities of developing a large amount of power by tides, and making use of them within transmission distance from where the power plants might be located. The other aspect was a defensive one, that of carrying out investigations to show, if it could be shown, that what would be done in the way of power developments would not adversely affect the fisheries of the region.

The commission thought the best way to organize the work was to set up two separate boards, one to deal with the fisheries aspect and the other

to deal with the engineering aspects, and to provide for a continuing liaison and interchange of information between these boards through the commission itself, so the members of the commission themselves could be accurately informed of everything that was going on.

That work has proceeded. We have had magnificent cooperation from the fisheries as well as from the engineering board, and they are now approaching the conclusion of their work. These boards were before the commission presenting their progress report in Washington in the early part of this month. We are assured we will have before us at the October meeting of the commission, the final reports of these two bodies, which are composed of eminent experts in their particular fields. Without the benefit of having these reports before us, it is too early to be too positive about the results.

Subject to certain provisos calling for access of anadromous fish to the pools, from the fisheries point of view we have pretty good assurance there would be no adverse effect on the fisheries of the region if these power plants were in fact constructed. That is a very satisfactory conclusion. It is a dominant factor, because with the great importance of the fisheries resources of that region it would not be possible, of course, for the commission to recommend they be interfered with to any serious extent, even if the power engineers were able to tell us the power was an economic possibility.

On the power side, the engineers have faced up to the fact that in the previous endeavours to find ways and means of developing power in the Passamaquoddy the actual dollar cost of those works clearly became the limiting factor. There is no doubt about power being there in very great quantities in these tides. The range runs on the average from perhaps 20-odd feet on the higher tides to about 15 feet on the lower, and there are immense quantities of power which can be taken out by turbines and generators. It is fundamentally a question of cost.

The early projects have been gone over most carefully. Each section of the region has been closely examined geologically, topographically and hydrographically. The depth of the ocean where these dams might be built has been measured and the quality of the bottom has been determined. The dams that have to be built have been relocated on a basis of minimum cost, more particularly because it is necessary to avoid having to build too much in the very deep channels, with the high currents which exist.

The engineers were unable to give us—and so I cannot give you—a forecast of what the economics will be. However, there is no doubt that they have cut the costs very very materially from those which were associated with the earlier studies—which of course were quite impossible. They ran to a result which would have represented on an average about 17 mills per kilowatt hour, which is more than double the cost of steam power in the region. We could not possibly go ahead with that project.

However, with the engineering studies and improvements in design, and so on, which goes with it, the costs will be reduced very materially. We do not know yet whether or not it can be reduced to the point where we can recommend the project. It is not only on the topographic side that these studies have been made.

The electrical engineering groups in the country have taken an active interest. We now have improved turbines and improved generators which are of higher efficiency, are more adaptable and are larger. The project generally will call for the installation of some 30 turbines with their associated generators. The capacity of these machines on mean tide will be up to about 10,000 kilowatts each. That means we are dealing with an installation in the order of 300,000 kilowatts at mean tide. At high tides it will run higher, perhaps to 305,000 kilowatts. But that is not the whole story in dealing with

tidal development because tides fluctuate with the phases of the moon; they rise and fall twice a day, and in consequence there is a double pulsation of power.

If power is to be usable it must be dependable, and to be dependable there has to be another source of power associated with the tidal qualities. Two studies in that aspect are now in progress. One is a pump storage proposal on the north side of the basin in Canada. Another is that we should make use of the very large storage which is potentially available in the upper waters of the St. John river, above Fort Kent in Maine. There is a possibility there of developing storage of $2\frac{1}{2}$ million acre-feet usable annually, and if that were made available to the St. John river below Fort Kent, which is largely Canadian, it opens the possibility of further development analogous to the Beechwood plant. Some of that power could be used for balancing off the tidal power project at Passamaquoddy.

Again at this stage I cannot tell you just what the economics are of that. We are assured from our two groups that we will have all that information at the end of this year.

Then the commission, which has been following this matter and currently keeping itself completely informed of all the progress, should not take very long to reach a conclusion within itself.

Mr. CRESTOHL: At the present time are there any installations in which power is generated by the rise and fall of the tides?

General McNAUGHTON: There are a number of small installations throughout the world. I cannot claim that any of them are really practical propositions. The nearest approach to an effective development of tidal power is at Grenoble on the coast of Brittany in France.

While in Washington the other day I was speaking to the head of the Grenoble experimental establishment and he told me they are convinced they have an economic proposition.

Mr. CRESTOHL: The project here is still in its experimental stage?

General McNAUGHTON: They are all in the experimental stage. In other words, they have a hope. That is, the engineering problems can be solved at a price, but so far in every case the price has been too high. I am now dealing with substantial developments. Of course the French have a different condition to face than we have. They have a tide which rises and falls the same as ours, twice a day, but they are in close proximity to the great French grid system. There is a reservoir into which their power can be poured at any time. It is an energy proposition and a matter of indifference as to whether or not it pulsates.

They gain as against steam power merely by generating, supplying and using the system itself to iron out the inequalities. We have no characteristic system such as they have. As matters stand, to get a connected system which would equalize the Passamaquoddy at 300,000 kilowatts, we would have to have a grid system running from Saint John, New Brunswick down to Boston, Maine. It is not a practical solution.

Mr. McCLEAVE: On the point of equalization of power, has any study been made of the use of thermal power plants to make up these odd times?

General McNAUGHTON: Yes. The thermal plants might very well be used in connection with it. But I am afraid if we depended upon thermal energy, we would not have very much advantage left for the tidal development because the reason we have gone into the tidal development is to try to decrease the price of the thermal power to the people.

If you have a 300,000 kilowatt tidal development and you have to put in 300,000 kilowatts of thermal energy on top of it, the result is not likely to be very much cheaper than the price of energy otherwise available.

Mr. MONTGOMERY: Has the research gone forward far enough that you can tell us the amount of power, should this go in, that Canada would get and the amount allotted to the United States side, or will it be allotted in quotas?

General McNAUGHTON: Mr. Montgomery, there has been no arrangement yet as regards the allocation of the resulting product. The general understanding which we approved in this investigation is a fifty-fifty arrangement. That is on the tidal project itself. I should say that perhaps the enthusiasm for this investigation was mostly in the state of Maine. On our side we were perhaps not so convinced of the ultimate possibilities. So we made a deal that the cost of the engineering investigations would be carried out in the first instance mostly by the Americans who were enthusiastic about it. We reserved our position, that if the project was to be gone ahead with Canada would pay up her back share of the investigational costs and would be in this thing on a fifty-fifty basis.

We would not do the same thing on the fisheries side because, irrespective of what was done about the power, we had a very large fisheries interest to protect. Right from the start we insisted that, not only would we pay the full half share of the fisheries investigations, but that we would be free to do any additional investigations which might be required to follow up the need for protection of the Canadian industry.

Mr. MONTGOMERY: The power development would depend a great deal on the fisheries; is that right?

General McNAUGHTON: As I indicated earlier, we have pretty good reason to believe, as the fisheries report stated—although not conclusively—that there is a hope that there would be no serious danger in respect of interference with the fisheries interests in the bay of Fundy.

Mr. MONTGOMERY: If the development in the upper regions of the St. John river in the northern part of the state of Maine and Quebec were more feasible and more economic so far as the maritimes is concerned, would they not get practically all the power which they could foresee the use of for quite a while?

General McNAUGHTON: It is a thrilling prospect because the only thing which stands in the way of satisfactory developments on the St. John river—the extension of the Beechwood project with an installation at two other sites—is the question of the regulated flow from upstream and arrangements for storage.

The only large storage in the basin is in the upper St. John above Rankin rapids where, as I say, there is possibility of 2½ million acre-feet of storage usable annually, which is enough to regulate the St. John river.

Mr. MONTGOMERY: How would that affect the state of Maine? I suppose they would still require considerably more power than they would get from the development of the St. John river?

General McNAUGHTON: The trouble from the viewpoint of the state of Maine in respect of the development at Rankin rapids is that at the present time there is no market in that state and it would mean a new industry would have to come into the region.

Until you have a prospective market for the power you cannot get people to look at the developments as practical matters. It will come some day. When it does the St. John river is worth, between Maine and New Brunswick, about half a million kilowatts of hydroelectric power. It is a matter of getting it, and getting it going. It is there.

Mr. CRESTOHL: In respect of this power developed from the tides, have the engineers indicated how far ahead into the future we would have to look in order to secure some energy or power from tidal waves?

General McNAUGHTON: That is what we are trying to do now. That is what the engineers are trying to give us in the report which they are making on the Passamaquoddy project. We should know in the latter part of this year. We will have the report in October. There is every indication we shall have it then. You will have the commission's report about a year from now and we will then be able to tell you.

It is a certainty that the power can be made available and there is a hope that it may approach the economic. I cannot go further at this stage. It will not be cheap power, but it may be economic.

Mr. CRESTOHL: Is there now a demand for power in that area?

General McNAUGHTON: There is a growing demand for power now in the maritimes, with the mining industry at the north end of the bay of Chaleur and other points asking for power at every turn. It is very desirable that every practical means should be given. If the cheap power is available we should try to provide it.

May I now turn to another maritime project in which we are very interested and that is the St. Croix reference. The St. Croix is not a large river, although it is an important one. It runs into the bay at St. Andrews and is of interest because it would go into one of the pools of the tidal power development.

Originally, some years ago the St. Croix was a very fine salmon river, but the nature of the development resulting in pulp and paper mills being built upstream has meant that the river became so contaminated with the waste which comes from mills that the runs of anadromous fish were eliminated. The rising interest of the people in recreation, in the restoration of fish and so on, the desire to clear up the pollution in the interests of the municipalities along the river, the improvement of the shell-fish industry in the Passamaquoddy region, at the mouth of the river, and so on, led the governments to ask the commission to make a study of the St. Croix and to study it particularly from the point of view of improving the power development along the river which was, of course, partially used, to eliminate pollution and improve it from a recreational point of view and the like.

We received this reference about four years ago. They were immediately placed in hand by a combined board of fisheries experts and engineers. We have the report of that board. It has been through the first stage of procedure. It was submitted to public hearings last summer in the district when people there were asked to express their opinions on it.

The results of this public expression of opinion have been taken into account and the commission's report has been drafted. It is now in process of discussion between the two sections of the commission. I have little doubt, after the progress which we made in Washington in the second week of April of this year, that within the next two or three months we will be able to make our report with positive recommendations to the governments.

It is evident that one of the power sites, at Milltown at the mouth of the river, which was formerly owned by one of the cotton companies, is a very useful small site. It may be worth eight or nine thousand kilowatts. People on the Columbia river do not think much of eight or nine thousand kilowatts, but in the maritimes it is an important block of power. Although it is a boundary water, we are assured that the claim of Canada to that site is supported and the site itself has been acquired by the New Brunswick electric power commission, and they are now engaged in planning the redevelopment.

In respect of the question of pollution, members of course know that the St. Croix is a boundary water and in consequence it comes under the provision of article IV of the treaty of 1909 which, with your permission, I would like to read:

It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.

The investigation of the St. Croix board have conclusively shown that these waters are being polluted, that it is injurious to health and property in Canada and that it is pollution arising primarily in the United States. That is not to say that there is not also some pollution in Canada which has to be corrected.

Therefore it becomes mandatory under the provisions of the treaty of 1909 that corrective measures should be taken. Of course, the commission have to be very careful in proposing remedial measures, that due and proper consideration is given to the interests which would be affected, and to give time in order that improvements may be made. Otherwise something serious might happen to the great sources of employment in the region, and it would not therefore be advantageous to the people.

It requires a very carefully prepared and timed measure. This is what we are working on now, to arrive at a reasonable conclusion as to how to bring this about.

Mr. PRATT: Is that pollution industrial or domestic?

General McNAUGHTON: In the particular case I had in mind, it is industrial pollution; it is waste from a paper mill going into the river, lignium, bark, sawdust and so on.

Mr. PRATT: Is there any appreciable degree of domestic pollution?

General McNAUGHTON: Of a type. This is a river in which the domestic pollution has not been looked after by a sewage works and so on. So if we are to restore the shellfish industry in it, remedial steps must be taken. You cannot be asked suddenly to stop pollution and put a region back into a state of nature. You have to be practical about it. You have to set the tiller over and get the direction going right, and give a reasonable time for it to come about.

Mr. PRATT: Are the municipalities expected to look after this condition, or is the federal government expected to do it?

General McNAUGHTON: The responsibility for the policy is a primary responsibility as far as we understand it, and it depends of course on the source of the pollution. If it is a federal source, then the federal government would be involved primarily, and if it is a provincial responsibility, it would fall upon that section in which it is generated.

Mr. McGEE: What about the United States sector? Is it a federal responsibility there?

General McNAUGHTON: The provincial responsibility in this matter has been recognized in New Brunswick by the passing of an act, and the N.B. water authority is bringing this into effect; it is in the process of getting organized to work. They have followed the notable example of Ontario which set up a water resources commission, for one reason namely, to improve the boundary waters in the connecting channels, and the boundary waters of the St. Lawrence system.

That has been taken up now in a very firm manner by the Ontario government, and we are really getting along very well in the cleaning up of that pollution. However, I would like to defer comment on the Ontario commission until we come to it a little later when I can give you more specific information.

On the United States side there is provision for very extensive support to municipalities by the federal authorities. The evidence before the commission would indicate that as long as we can evolve sensible and reasonable proposals, and do not get into too much of a hurry to get things done, there will be propounded solutions which will be acceptable to the people of the vicinity, which will bring about these improvements.

The need for improvement in these pollution matters is recognized, and the type of measures which are needed is known.

We have already from our experience in ten years or more of surveys and working on the connecting channels of the great lakes system, evolved what we call objectives in boundary waters quality control. We have decided on these objectives having regard to the situation in the boundary lakes and rivers, with one minor qualification, and the technical experts have reported that they are suitable. They are undoubtedly recommendations which we will make to the government, and they will prove to be an application of the objectives of quality control, and will prove the reason for the change that is needed.

That change is needed now in the great lakes connecting channels. We do not have the problem of anadromous fish, that is, fish migrating into the basin from the sea. But in the St. Croix that has been one of the matters we have been instructed to consider, and we have to make sure that the channels carry enough dissolved oxygen to take care of these incoming or outgoing fish. But it is not too difficult a matter to arrange.

The St. Croix has been a most interesting study from many points of view for the commission, and I venture not only to express satisfaction with the way in which our board has carried on in developing all the aspects of the rivers before us, but also with the fact that we are going to be able to give a very constructive, useful and acceptable report to the governments.

The CHAIRMAN: Are there any further questions on the St. Croix development?

Mr. HERRIDGE: Suppose the commission should find that the pollution occurring, as mentioned in the United States, is affecting a river flowing into Canada. What action would the commission take in order to correct that situation, whether it happens in the United States or in Canada?

General McNAUGHTON: The action of the commission is to draw attention to the fact that it exists. It also draws attention to the fact that the pollution originated in one country, which is harmful to the health and property of the other, and that it is forbidden by the treaty. It then becomes the obligation of the United States, if the pollution starts in the United States and comes into Canada and injures health and property. We draw it to the attention of the United States as a breach of the treaty, and they are under obligation to have it cleared up.

They may clear it up by federal measures, or they may impose the obligation to do so on one of their states or municipalities. But it becomes their responsibility, just the same as it becomes our responsibility in the connecting channels of the great lakes where we found that some of our municipalities were in breach of article four of the treaty of 1909.

In that case the federal government here drew it to the attention of the government of Ontario, and that was one of the reasons the government of Ontario set up this water commission under Mr. Snider, about which I shall have a word or two to say later when we come to these channels, if I may.

Mr. HERRIDGE: Thank you.

General McNAUGHTON: So if the pollution is of a character that it comes from one country to the other, and if it is shown to be injurious, it will be the problem of the country which does it, and which is in derogation of the treaty obligation, and they must clear it up.

Mr. MONTGOMERY: I would like to refer to a small river. It is not a large stream, but it rises in Maine and flows through Houlton and on around. What section should the municipality take to get the commission to investigate that stream? I suppose that until the International Joint Commission looks into the matter there is no real proof that there is pollution; but this stream is pretty badly polluted. There used to be fish in it, but there are no fish there any more. It is a branch of the St. John river and it enters into the St. John river at Woodstock. It is very badly polluted in the opinion of many Canadians, and even if cattle should drink from it at low water, they die.

General McNAUGHTON: Does any of the pollution originate in Maine?

Mr. MONTGOMERY: Yes, it does. It comes primarily from a potato starch factory.

General McNAUGHTON: Yes, I know about the case.

Mr. MONTGOMERY: What action should the municipality take?

General McNAUGHTON: I think the responsibility in that matter is very clear. In the first place, the municipality ought to report it to the provincial authority. In New Brunswick you have a water commission being organized. They are the people who ought to know about it.

If they are satisfied that the situation is bona fide and there is a real complaint, and that the cause of pollution originates in the United States, which satisfies the definition of the treaty, and that it is injurious to health and property, then they have a perfect right to communicate from the provincial government to the federal authority here. Then, no doubt if the federal authority can be content with the source, we would soon have it before the commission; and then it would be our business to organize. But you can well imagine that unless we have a specific direction from the federal government, we cannot go running around looking for things to do. In the first instance we do not have the staff to do it, and we are not competent to originate a problem. A problem must be put to us.

Mr. MONTGOMERY: Thank you very much.

Mr. PRATT: Is this commission in New Brunswick purely a study commission, or has it any powers to act?

General McNAUGHTON: I am afraid I have not the legislation here, but the organization is certainly becoming very effective, because some of their technical officers are taking part in the St. Croix investigations.

The CHAIRMAN: Might I interrupt to say that General McNaughton will be before us next Thursday. He will take your question as notice, Mr. Pratt, and will answer it at that time.

General McNAUGHTON: I shall bring the New Brunswick legislation with me next time.

Mr. PRATT: Thank you.

The CHAIRMAN: Are there any further questions on the St. Croix?

General McNAUGHTON: In connection with the St. John river, we rendered our report some years ago. One of the recommendations in the case of the St. John river was to point out that even with the limited amount of upstream storage which was available for the Beechwood project, it would be a useful project to be proceeded with. The government of New Brunswick accepted that recommendation as you know, and Beechwood has been built to the extent that two units are now operating. There is space for a third unit, but until we have regulated the flow from some source for them, it would not be economic to put in a third unit.

We have been hopeful that opportunities to make arrangement for upstream storage either in Maine or similarly in the province of Quebec up the Madawaska might come about without notice, so we have kept our engineering

board in existence on a sort of watching brief basis, ready to step into the picture without any more ado, to do the studies which might be indicated if the occasion makes it possible. So we are holding a watching brief on the St. John.

Coming further west, perhaps I should refer to the St. Lawrence basin. Members of the committee will recall that the commission almost since its inception in 1912 has been intimately concerned with the developments in the international section of the St. Lawrence.

In 1921 the commission made a very thorough investigation of the St. Lawrence basin and the seaway power projects, and it rendered a very comprehensive report which the governments of both sides were happy to accept in principle.

But from 1921 for the next 25 years there were a good many essays at getting started on developments which the commission indicated, but they did not get very far. There were several which got up to the planned stage, and some of them got before the congress of the United States; but they did not reach the point of execution so that practical measures could be taken.

In 1952 we had a year of very very high flows on the St. Lawrence, and the levels of lake Ontario went up to a point that a great deal of damage was done on the shores. It became a matter of public concern; I mean the protection of the communities on either side of the boundary in that region. So the two governments decided to refer the question of the level of lake Ontario to the commission to investigate and perhaps institute a regime for facilities to control the level.

Thus quite comprehensive studies of levels have been carried out by the commission ever since, and they ended up by a report by the Lake Ontario board of engineers to the commission recommending that the range of stage of lake Ontario should be reduced to 244.0 as a low stage, and to 248.0 as a high stage.

In nature the low stage of lake Ontario may run to below 243, so a low stage of 242 was a positive advantage to navigation. In nature the high stage has gone above 249; so by bringing the high stage down to 248.0, there was a definite advantage to the people along the shore who were complaining of the floods. I beg your pardon: I used 242; I should have said 244, and with a range of stage from 244 to 248.

The Lake Ontario board of engineers pointed out that it was not only the high level of lake Ontario which was the reason for damage occurring, but that it was the time at which it occurred; and that there were seasons of the year when high levels could be tolerated and which would not result in very much damage; whereas if the same levels occurred in early spring, they would prove to be very damaging.

So taking all these factors into account, the commission's lake Ontario board made a positive recommendation to fix the levels of lake Ontario under regulation from 244.0 to 248.0, and that the recommendation be transmitted by the commission to the governments to be approved.

That was a very important piece of information for the commission because with these levels approved we could then go into a study of detailed methods of regulation which would be necessary to be adopted in connection with the St. Lawrence seaway project, in order that we might benefit not only the people upstream but those downstream as well, and also to be very careful indeed to see that the proposal which we would make would not be damaging to any interest, be it either downstream or upstream, in the interests of power.

This study by the lake of Ontario board of engineers was concerned solely with conditions on lake Ontario itself. To do the studies downstream we felt

it advisable to set up another board in which engineers from the lower river would be involved, and people who were familiar or inherently familiar with the conditions which had to be protected against the dangers which might result. So we established, in connection with the seaway and power project the International St. Lawrence River Board of Control, which had on it engineers from Ontario, and from Quebec.

As far as we were concerned, we found it necessary later to add engineers who were specially skilled and informed on matters related to navigation. So that with federal authorities from the Department of Northern Affairs and National Resources and Department of Transport added, we have a board of four representatives from Canada, with members who were well informed concerning the interests we had at stake; and these were matched by similar engineers with similar qualifications from the United States.

Thus, once having settled the range of stages of lake Ontario, we were able to turn that problem over to that board of control to study the effects and to come up with a proper regime for the whole river, looking after the interests downstream as well as upstream. We were also able with the range of stages that we were going to arrive at for lake Ontario, to give to our navigation authorities, who were principally Canadian navigation authorities—because the United States are not so much affected—the design for their channels in the seaway in order to take advantage of this increased depth of water and of the kind of flows that we were going to be able to produce for them at the season of the year when they would be most essential.

That range of stage was in fact adopted by the seaway authorities, and it is reflected in the channels which have now actually been constructed and which are almost complete. They are not quite complete because there is a little more excavation and cleaning up to be done during the year, and there will probably be some further channel widening going on next year. But substantially the channels are ready now. Ships that require the draft can pretty well navigate throughout.

As far as any other method of regulation is concerned the board of control has now come up with their report. They have given us very specific proposals, known as method 1958-A; and after very careful study we have been able to recommend them to the governments as a method which would give this beneficial effect both upstream and downstream without damage or hurt to anybody.

We know that we now have action taken by the United States on that, and we hope that very shortly we will have advice of the action which the government of Canada wishes to take. In terms of this we may get into operation by a properly constituted authority of the two countries. So that the great problem of this immense river with its immense water resources and immense flows and the bringing of it into a regimen which will suit the convenience and to the advantage of the inhabitants of both countries through which it flows has now been brought into being and will be made effective.

You cannot regulate the river just by gesturing at it, or by writing nice tables. You have to take physical means to do it. So in connection with the construction of the power works in the international section by the province of Ontario, which wished to do it, and by the state of New York which also wished to do it, one of the conditions for approval of these projects was the great regulating works which were constructed at Iroquois.

The Iroquois dam is a regulating dam. It will put an end to this trouble of which I have spoken in connection with the range of stage of lake Ontario. So we are approaching the end of the task which was first imposed on the commission way back in 1921, and which has gone through various phases since. I think we all feel that the result will be very constructive and very useful to both countries.

We will get our navigation as we want to have it. We will not get as much power as the power people thought they would be allowed to draw out of the river; but provided it is in the public interest, I think a line has been drawn between the various interests which are affected, and the people do not have to be worried about flooding, both upstream and downstream. They will receive very good benefits indeed out of this method of regulation.

I think that is about all I need to say about the St. Lawrence at the moment. The seaway is to be opened on June 26 by Her Majesty and that will mark the end of a very long endeavour by many of devoted engineers and hydrologists, as well as hundreds of people who worked on this very complicated problem, and who provided the answers which the commission has had the privilege to put before the governments, and which have been accepted.

The CHAIRMAN: Are there any questions?

General McNAUGHTON: In the course of the discussion I referred to the objectives for boundary waters quality control and the steps which had been taken in Ontario and so on. We are still in the St. Lawrence basin so I thought I would mention the task which the commission has had in the connecting channels of the river between the great lakes.

You might wonder why I use the term "connecting channels". So far we have not been concerned with pollution in the great lakes themselves, because it has been very difficult to prove, even if it is the case, that pollution there would come within the prescription of article four of the boundary waters treaty as something with which an international body could deal.

I must make it clear that we are not going to deal with pollution per se at all. Perhaps I should not say this, but people can pollute waters on one side of a line to their heart's content, to any extent, and we have no jurisdiction in the matter. It is only when pollution originates on one side and crosses the boundary to the injury of health and property on the other side that we have any jurisdiction at all. So since the physical facts are usually difficult of determination in the great lakes themselves, they were not included in the 1946 and other references.

We are concerned with the channels themselves between Lake Ontario and Lake Huron and Lake Michigan coming down to the channels north and south from Lake Saint Clair, and the channels into the Niagara river. We might have had something to do below that, but that aspect of the matter in the main river itself has been dealt with in another way.

Down through the years the commission has carried out a most extensive investigation in all of those channels. We have established beyond doubt that there was pollution which originated on one side and crossed the boundary to the damage of the interests on the other side.

The next thing our experts had to do for us was to reduce this to a quantitative basis because a little pollution might not be objectionable or damaging. But there comes a point, as a minimum where it would be damaging, and there comes a point beyond which it would be intolerable. Our first endeavours were to arrive at definitions necessary for quality control. Those were worked out in 1949, were submitted to the governments in 1950 and later approved. Then it became a matter of how to proceed to bring about the remedies which were required.

On an earlier occasion when a reference along this line had been given to the commission, it found that the United States-Canada boundary waters under reference were being polluted contrary to the treaty of 1909. They suggested that the commission should be armed with police powers to prevent it. That recommendation was given to the governments and I have no doubt it was most carefully reviewed and considered.

The result was that in the governments nobody on either side of the line regarded it as a practical solution that a commission of an international character should be given police powers extending into the jurisdiction of the two main parties. Nothing was done about it. While we had the same problem again we were very careful in the commission not to make a similar recommendation which had proved to be a cul-de-sac.

In 1950 the commission asked for, and was given by the two governments, the responsibility of keeping these international waters in the great lakes channels under supervision from a pollution point of view. We were given authority to bring to the attention of the competent authorities in each case any violation of our objectives for boundary waters quality control. We keep on bringing such a violation to the attention of these responsible authorities until they take steps to cure the matter. As you may imagine, this process is not one which yields results quickly. It is slow, but it is sure.

The result today is, I can report, as a result of what our boards have told us at our meeting in the second week of April, just a few days ago in Washington, that there are now only three municipalities along the Canadian shore of the connecting channels that we have had to cite for failure to comply with the objectives for boundary water quality control.

There are only a few minor instances of pollution originating on the United States side which we have had to draw to their attention. Canada was in default of the treaty for many years. However, when the government of the province of Ontario understood the seriousness of the problem, the Ontario Water Resources commission was set up which is presided over by Mr. Snider. They differ from us. We have authority to point out; but they have the positive mandate to do something about it and to give aid to the municipalities.

First of all, they require the municipalities should take steps to clear up any pollution which may be created and they are able to bring them assistance by way of technical design of sewage disposal works and are able to help them in the way of financing. Because of this there are now only three municipalities remaining about which I will have to write to Mr. Snider saying that from our point of view these are the ones in default.

Mr. SMITH (*Calgary South*): Were some of these refineries causing pollution?

General McNAUGHTON: In the early days, the distilleries and oil refineries and all the industries were involved. There were many industries. For instance, at Sarnia the easiest way was the customary way, as in the past, of letting the waste go into the river. Perhaps it was not too serious at first, but when everybody did it those larger rivers of ours became the equivalent of a sewer. Then public attention was directed to it and we were given instructions to look into the matter and try to clear it up.

Mr. SMITH (*Calgary South*): They are not current offenders?

General McNAUGHTON: Right from the very start of our first investigations, in the hearings when we brought these troubles to the attention of the people in the community, when they realized we were, in fact, going to do something about it, industry got busy. Industry was the first to remove the stain from their slate. Time after time, after we had cited people as having factories which were a source of pollution, they telephoned for an appointment and came down to see just what it was and what they had to do to correct it. They would say, "We cannot remain in a state of being cited for some act of pollution which is contrary to public interest. We want to correct it."

We have had the most remarkable cooperation from industry on the Canadian side in helping us in the cleaning up of these pollutions. From memory I cannot give you the amounts of money spent voluntarily, but there were literally scores of millions of dollars spent voluntarily in order that

industry would comply with our boundary waters quality control. The distilleries industry was one of the first to be cleaned up. That is the situation. It is another illustration of what we have to do in the St. Croix.

You cannot correct the situation overnight. If we keep on pointing out where there is non-compliance, and if we do it consistently, we will get the St. Croix cleaned up as we have done with others I am sure.

Mr. MONTGOMERY: Is the pollution found pretty close to the mouth of the stream or is it all the way up the river in the lakes.

General McNAUGHTON: The serious pollution starts with the mills upstream. That is where the sawdust and fly ash has been put in the river from the mills. You must not blame the mills for it because that was the custom of the trade in those days. Nobody objected and they built the industry on the basis of doing it. We must be sympathetic with the condition they are in; but now that the matter is pointed out it is up to them to do something about it, and it is up to the United States government at one level or another to give it the necessary support to clear it up. I am sure that will be done.

Mr. PRATT: Has consideraion ever been given to federal financial assistance to the province or to the municipalities to combat pollution?

General McNAUGHTON: I think I am a little out of my depth in the constitutional part of this.

Mr. PRATT: Probably we could have the answer at the next meeting.

General McNAUGHTON: My understanding of the matter is that in the British North America Act this compliance with the policies originating in a municipality or a province is a provincial responsibility. That very thorny problem of the connecting channels of the Great Lakes basin was gripped by the province of Ontario and they are the people who have cleaned it up, not us. It may be there was some federal action which originally caused pollution, in which case I understand the constitutional position is that the federal authority would be the one we would look to to clear it up.

Mr. PRATT: I was asking if there ever had been any consideration given to financial assistance by the federal government?

General McNAUGHTON: There again I would refer you to the governments. It would be a matter of policy, I would think. I believe the British North America Act is sufficiently broad that it covers most anything if it becomes a matter of policy to do it.

Mr. PRATT: My question was really an historical one. I wanted to know if any consideration had ever been given to this.

General McNAUGHTON: I cannot answer that. I do not know.

Mr. PRATT: Thank you.

General McNAUGHTON: We have another question of pollution which is not specifically covered because this boundary waters treaty relates to water. However, analagous to it is the question of air pollution. In Canada it is most significant in the river between Detroit and Windsor. The matter of air pollution is something which has been engaging the attention of the authorities at all levels for many years now, and has come to our attention because of the remarkable industrial development which has taken place and which has resulted in the burning of large quantities of fuel in one way or another, delivering into the atmosphere deleterious gases, smoke, ash, and so on.

There has been a reaction to that by the public to the extent that it is damaging to their health, their property, and their convenience, and they do not like the dirt of it. The housewives do not like dirty smoke or smut coming in on them.

It became quite noticeable in the channels between Detroit and Windsor, where there is probably the heaviest water-borne traffic in the world. A lot of the small ships are burning coal. The ships going down a waterway are of course visible to all the inhabitants on either side and if their combustion goes wrong and they start to smoke they cannot hide it. There was so much complaint about this that the commission was instructed to investigate the situation and see what could be done about it in respect of the suppression of vessel smoke.

Incidentally, we were told to investigate air pollution generally in that region.

These investigations have been carried on over a number of years now, and they have reached the point that the report of the board which was set up is in the hands of the commission, and the first draft of the report we might make to governments has been prepared.

These reports are under consideration in the commission, and I cannot, at this time, forecast just when those reports will be given to the governments. I would think, however, it would be done within a matter of several months.

As regards vessel smoke, we were particularly anxious to get our report to the governments before this. We hoped that vessels, which might be smoking, beyond the code that we are going to propose, start to make use of the seaway coming in from other countries, would be given fair notice of the kind of apparatus and so on which they will have to have on their vessels, and the code with which they will have to comply when they come to navigate the seaway. So it is a matter of considerable urgency to get that code established.

We have no jurisdiction or authority to make recommendations other than in the particular area of our reference which is the Detroit-Windsor area. But no doubt the findings of the technical group, which are very general in character, will be taken under advisement by the governments when they receive our report. I imagine that the seriousness of the problem will be pointed out and that remedial measures will be propounded very shortly.

The CHAIRMAN: Are there any questions on this subject?

Mr. STINSON: Can General McNaughton tell us if he feels that the commission has authority to investigate the possible bad effects of fall-out which might attend nuclear explosions?

General McNAUGHTON: There is authority in the treaty of 1909 under article nine for any problem that is bothering the governments along the boundary to be referred to the commission. But we have no specific authority and no specific jurisdiction in the commission to take up any of those problems unless we are invited so to do.

Our reference has to do with air pollution in the Detroit region, and it is related primarily to vessel smoke and to industrial smoke in a general way.

The governments could, if they so wished, intrust us to investigate the fall-out. There would have to be something done by the United States which was damaging Canada or vice versa; otherwise we would have no authority to come into the picture at all. We have not been given that mandate, and I do not think there is any reason the commission should have it, because other bodies are in existence which are inherently more competent to do this from particular studies and many other particular aspects than are we. If we were to take it up, we would have to draw on them for technical advice, services, and so on. It would only be a duplication. However, we do know that fall-out is receiving very careful consideration from our competent authorities, the Atomic Energy Commission and the Atomic Energy Board in cooperation with the defence department. I do not see where there would be much value

to be gained or a contribution made by our entering that field. I would not think it likely therefore that the governments would ask us to do so. We have no initiative in the matter.

Mr. KUCHEREPA: Is there any agency which is comparing the radioactive pollution of the waters in lake Ontario, so much of which are used for human consumption?

General McNAUGHTON: With respect to measuring the radioactive content of lake water, I could not answer the question of my own personal knowledge, but I do think there is no doubt about the fact that Mr. Snider's commission would be looking into the matter if there is anything serious involved. That would be right within the jurisdiction of the Ontario water resources commission.

The CHAIRMAN: Are there any further questions?

Mr. McGEE: I think we had a report from Windsor dealing with a strange noise which was disturbing the inhabitants, and they were attempting to determine its source.

General McNAUGHTON: A noise?

Mr. McGEE: A noise, yes.

General McNAUGHTON: That is a new one to me. We have had to deal with things coming across the boundary such as pollution in the water, but never with noise.

Mr. McGEE: It was reported at Windsor last fall in a series of newspaper articles that there was a noise which was disturbing the sleep of the residents of Windsor. So you can add one more item to your list.

Mr. MONTGOMERY: Was the noise accompanied by a blue and yellow light?

General McNAUGHTON: It has to go across the boundary if it is to be our concern. Noise is something I have not had as yet. I might mention that since we are in the St. Lawrence basin, one of the references which was given to us in the form of a clause in the Niagara treaty of 1950, was the remedial arrangements at Niagara, and they were arrived at between the two governments. In that case the commission was invited to carry out studies of remedial measures which were needed in order to improve the scenic beauty of Niagara falls and to see to it that the allocation of water which was made was within the limit of the treaty, and that the water remaining was distributed so as best to promote the view. Those studies were carried out internationally.

We arrived at a design on remedial works. These were a series of gates to be erected at Grass island. These gates were built and have been placed in operation. The commission has continuing responsibility for the supervision, not of the measurement of water, because that is done by accredited officers of the two governments, but as they affect the beauty of the falls; so we exercise that supervision through the Niagara board of control which reports to the commission semi-annually.

We have now had about a year's experience with the operation of the control gates, and of continuous observance of the falls, and of the water levels at the Grass island pool and we are well satisfied that everything is in order and is being kept in order in the interests of the two countries.

It is a magnificent spectacle. Niagara was in danger of disintegration if it had been left in a state of nature. But with what has been done, a redistribution of the flow, and the stopping of its concentration in spots, all these measures have been taken, and they give promise that for many generations to come the people of the two countries will have the benefit of a wonderful spectacle, and also that the power people will get their power within reason and without hurting and damaging the scenic aspects.

Mr. McGEE: I have been advised from an authoritative source that the sound to which I referred earlier originated in Essex East.

Mr. HERRIDGE: We may take that as a facetious remark.

General McNAUGHTON: It is not something under the jurisdiction of the commission, at any rate.

I turn now to two rivers which are very important to their communities, the Souris and the Red rivers. We shall take the Souris first of all.

The Souris, after talking about the St. Lawrence, is a small river, a very small river indeed. It also has the unfortunate habit of almost drying up at certain seasons or in certain years. It originates in Saskatchewan, flows across the boundary into North Dakota, and after a great loop flows back into Manitoba and eventually joins the Assiniboine, and then the Assiniboine joins the Red. While this river is small as rivers go, it is a very important river to the localities through which it passes. That is most particularly the case in the south eastern part of Saskatchewan down around Estevan, where a very large oil development is taking place; and of course in North Dakota as well, around the city of Minot, which needs that water because it is about its only source of supply.

When the Souris gets into Manitoba the need for water itself is not so important. There the matter which they have been worrying about, is the flooding of the Souris, and the damage done by the flood waters. As long as there is enough water to supply the stock and for domestic purposes along the river, the present requirements of Manitoba are met. But in other parts we have now reached the point where with the requirements of developing communities, industries and farming, as well as the oil industry, on both sides of the boundary, we have to cut up or divide something which was in very short supply, and to do it as equitably and as fairly as we can for the benefit of the people of the regions served.

That reference has been before the commission for a good many years. Since water was in short supply, there was a lot of interest in it, and a lot of competition for its use, and it has been an exceedingly difficult problem to solve. But finally the Commission arrived at interim recommendations to the governments as to how it should be done. We feel, in the commission, that we have based our judgment, not only on the investigations of our board, but also on the commission's own study of this region, because on a good many occasions, at almost every appropriate season of the year, the commission has carried out "on the spot" examinations in order to get first hand knowledge and experience there.

We also had in Canada in dealing with this problem the benefit of the special knowledge of one of the commissioners, the hon. George Spence. Dr. Spence was a long time resident of Saskatchewan. He farmed in that region for many years and his personal knowledge of the problems of irrigation in general and of the Souris basin in particular was of the greatest assistance to the commission. Dr. Spence has now retired from the commission but I felt I would like to have the privilege of making that statement of appreciation of his services on this occasion when I report that we have been able to reach agreement on an interim solution, and that the commission's report has been made to the governments.

A few days ago we received the consent of the Canadian government to our report, and we have the approval of the governments of Manitoba and Saskatchewan. We know that North Dakota has approved it, and we are assured that we may shortly expect a formal note from the United States putting the proposals into effect. There was a problem which was pretty acute, bearing on the current interest of the people of the region and which had to be solved. Also the solution of that problem enabled us to give assurance to the power commission of the province of Saskatchewan that their proposed

dam for retaining the waters for the new thermal power plant at Long Creek could be dealt with without any anxiety that it might seriously or adversely affect the interests south of the boundary which might question the wisdom of it.

We were able to give them the assurance they could proceed with that construction without any risk. That dam at Estevan on Long Creek has been built. The power plant, in the Estevan coal field, has a capacity of 200,000 kilowatts. I am told it is now operating. I am also told that, with this inter-connection arrangement between the power commissions of Manitoba and Saskatchewan becoming effective, the plant in Estevan is likely to be doubled in capacity, which is the limit of the condensing water that can be safely counted on as coming down Long creek.

The possibility of difficulties of allocation which might have prevented that great development both in the interests of Saskatchewan and Manitoba, has been removed and matters are now proceeding satisfactorily.

Mr. MANDZIUK: Could we have any idea what the recommendations will consist of as the people in southwestern Manitoba are disturbed. The people in the towns of Melita and Souris are disturbed and it has been brought to the general's attention that the flow of water is controlled by the United States and that more water flows from Saskatchewan into the United States than comes into Manitoba.

Last fall the town of Souris suffered from lack of water. This is a serious problem. Will this recommendation increase the flow of water into Manitoba or at any rate into these towns?

General McNAUGHTON: The situation of the flow into Manitoba will in fact be protected in this commission based on existing uses. This is an interim order which has been proposed so that if the uses of the water in the Souris river—which can be served appropriately from the Souris river—should increase, the commission does not have to wait to get more jurisdiction from the governments; the jurisdiction of the commission has been reserved and we can take it up again any time it is required.

Perhaps I should explain a little bit about the problem and what has been done about it.

Mr. MANDZIUK: That would be very much appreciated.

General McNAUGHTON: As you rightly observed, the Souris rises in the province of Saskatchewan and flows across the boundary. In many of the cases of rivers flowing across the boundary, as stated in the case of the St. Mary and Milk rivers, dealt with in article VI of the treaty, it was generally agreed by treaty that we arrive at an equality of division at the boundary as a measure of proper equity.

Starting at the headwaters, we had many discussions with the province of Saskatchewan, and the authorities of Saskatchewan were agreeable to the application of that principle to the Souris. It is a little complicated by the fact Long Creek also originates in Saskatchewan and makes a loop in North Dakota before it comes back into and joins the Souris system. So it took us quite a time to arrive at a formula of words to carry into effect the general principle of an equality of division of flows, giving us half and the downstream state half.

However, I think we have a formula which will do it and it is acceptable to North Dakota and Saskatchewan.

Mr. MANDZIUK: The commission realizes that twenty cubic feet per second which the Souris river gets when it comes into Manitoba in the five months of the year is absolutely insufficient for the town of Souris and the other towns, in particular, Melita. Is there not a duck preserve or marsh established by the

United States? I could draw to your attention the fact that there are statements in the press to the effect that American ducks receive more consideration from the commission than the Manitoban humans, because there is less water into Manitoba than goes out of Saskatchewan, and the Americans are taking it up.

General McNAUGHTON: That is right.

Mr. MANDZIUK: Why?

General McNAUGHTON: If you had been with us at some of the hearings I do not think you would say the people of Manitoba were getting less consideration than the ducks, because we have brought that matter to their attention.

Mr. MANDZIUK: There have been some editorials on this subject.

General McNAUGHTON: May I go into this a little more in detail because it is very important?

Mr. MANDZIUK: We would appreciate it.

General McNAUGHTON: It is of great concern to the people in these regions. I may say that, personally, I have a pretty fair knowledge of this region. I was born not very far from the Souris country, in the town of Moosomin. I know that region from my earliest youth.

What happened in connection with this matter of the Souris is there were two aspects which came to our attention many years ago. That is the reason the commission was asked to take it up. The first was the floods which came across. The Souris was very susceptible to floods and people were interested in some remedial measures for flood abatement.

We were also interested in being sure, in the five summer months, that there should be a minimum flow going through the river while it was open and unfrozen, for the purpose of stock watering and domestic use, and so on. The first arrangement which was made was that the United States should release ten cubic feet per second down the Souris in the five summer months and, if necessary, draw down their own wildlife reservoirs to give that flow. That ten cubic feet per second was established before the commission at some hearings before I had anything to do with it, as being insufficient, and the figure of twenty cubic feet per second was then made effective.

At the hearings which we have had in the commission down in those regions the commission has repeatedly been told that what was required was the maintenance of that twenty cubic feet per second for the present. At these hearings we have been informed by the government authorities concerned that that is the requirement which should be maintained and that requirement is maintained in the recommendations which we have made to the governments.

The difficulty of the commission in this matter is that while we have not applied the same formula of equality of division at the boundary of North Dakota and Manitoba that we have in the case of the flow of water from Saskatchewan into North Dakota, we have not applied that formula of equality of division because there is not yet an established use in Manitoba. When there is, we will have the opportunity to reopen the matter and take it up on that basis.

For many years the American wild life people have been developing the marshes in the lower Souris in the vicinity of Westhope and to the ducks. They have spent millions of dollars. They have appropriated the flows of the river, and the wild life people claim that by taking the water into use they have established a use under the treaty and that they have a right to that use. We in the Canadian section of the commission have never accepted

that contention. However, we have never been able to press for a reallocation except on the basis of a proven necessity, and we have not yet got that proven necessity for Manitoba.

The Canadian commissioners are very concerned about this matter because we feel eventually there will be uses in Manitoba; and we have therefore refused to accept this prescription of United States ownership of that flow. We believe that because the water comes from Saskatchewan, and because the Saskatchewan law provides for certain uses which are lawful, and they have never given permission to turn water needed for human consumption over to the ducks, we have a valid claim for that water which should be implemented when it is proved to be needed. We believe we will have no particular difficulty in implementing it, once a real use and a real need for it is established by the municipalities along the river and by the Manitoba authorities. Once that is available we will be happy to take the matter up again right away.

Mr. MANDZIUK: The General and the committee will realize I am not acquainted with this matter personally. Mr. Dinsdale, who is unable to be present, asked me to speak on this. The flow of the water to Manitoba is completely stopped after October 15.

General McNAUGHTON: The position in the minds of the commission when they made this recommendation of twenty cubic feet per second during the five months of the summer was, if the river freezes up, the ice freezes down to the bottom and you cannot get any water through in the winter-time, anyway.

We now have an equal division of whatever flows are at the Saskatchewan boundary, but there is no flow in the winter-time.

Mr. MANDZIUK: But there is a regulation of the flow on the Souris river between North Dakota and Saskatchewan.

General McNAUGHTON: On the basis now of equality of division.

Mr. MANDZIUK: Just what does that term mean?

General McNAUGHTON: Equal division of such flows as there are. Half is made available to North Dakota and half to Saskatchewan. Counsel and all the lawyers who appeared before the commission representing Canadian interests have made it very clear we must maintain that right and we have given up no rights. But before we can ask or arrange for the wild life people to open their gates, we have to be able to say there is a real use for the water. It has not yet been established.

Mr. MANDZIUK: I think that can be proven. Last fall these towns were in desperate straits. The water supply was dangerously low.

General McNAUGHTON: I would like to say that right on the heart of our recommendations we have kept human needs above those of the ducks. Do you know what a duck costs? To raise a duck on a wild life reserve requires three acre-feet of water, which goes off in evaporation. That is a lot of water.

I will read you the item concerning the interim measures:

20. The interim measures for apportionment hereinafter recommended recognize as a first objective the importance of making water available for human and livestock consumption and for household use.

The moment there are uses proven we will be very glad to hear about it. Under the arrangement made we have every authority to reopen the matter.

Mr. McGEE: What is an acre-foot?

General McNAUGHTON: The unit of measurement of quantity of water used in hydroelectric developments, irrigation and so on. It is the amount of water which would be represented by an acre with one foot depth.

Mr. MCGEE: It takes three acre-feet for one duck?

General McNAUGHTON: Yes, and that water goes off in the form of evaporation.

Mr. PRATT: Is there a time element?

General McNAUGHTON: Three acre-feet per year.

The CHAIRMAN: How deep are these rivers which freeze to the bottom?

General McNAUGHTON: The Souris is generally a matter of inches rather than feet. These are little rivers, but they are mighty important to the people of the region.

When I speak of a flow of twenty cubic feet per second in the summer months, it is well to bear in mind that the Souris at that crossing has naturally a very irregular flow and mostly in the spring-time there would be no flow at all, or only one or two cubic feet per second in the Summer. What the people along there were anxious to get some years ago was a regulated flow, some flow all the time rather than the total amount.

Mr. MANDZIUK: Is there a dam in North Dakota?

General McNAUGHTON: There are several dams down to the south.

Mr. MANDZIUK: That is where the water goes and the Canadians feel they should at least get the water which goes into North Dakota, and that they should get that in Manitoba.

General McNAUGHTON: With the best legal advice we could obtain, the door was left open for us to take this matter up at any time; but in order for it to be taken up it must be proven that there is a real need and in that event the commission has power to deal with the matter.

If there is a shortage of water with flows below that twenty cubic feet per second, I think the minute we have that proven we have the authority to step in and take action to see that nobody is hurt.

Mr. MANDZIUK: Thank you.

The CHAIRMAN: Gentlemen, this will conclude the hearings this morning. I know, from the questions asked, that the members have been very interested in General McNaughton's evidence. This meeting now stands adjourned until next Thursday April 23, at 9:00 a.m., when General McNaughton will be with us again.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

Government
Publications

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

Thursday, April 23, 1959

Monday, May 4, 1959 (in camera)

**ESTIMATES OF THE DEPARTMENT OF EXTERNAL
AFFAIRS—1959-60**

Including Second Report to the House

WITNESS:

General A. G. L. McNaughton, Chairman, Canadian Section of the
International Joint Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

STANDING COMMITTEE ON EXTERNAL AFFAIRS

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Nugent,
Pearson,
Pratt,
Richard (*Ottawa East*),
Smith (*Calgary South*),
Stinson,
Valade,
Vivian.

J. E. O'Connor,
Clerk of the Committee.

REPORT TO THE HOUSE

The Standing Committee on External Affairs has the honour to present the following as its

SECOND REPORT

On Thursday, February 26, 1959, the House referred to your Committee for consideration Items numbered 76 to 105 inclusive of the Main Estimates 1959-1960.

Your Committee has held ten meetings during which it heard statements and evidence from the late Honourable Sidney E. Smith, Secretary of State for External Affairs, and Mr. N. A. Robertson, Under-Secretary of State for External Affairs, assisted by the late Mr. W. D. Matthews, Assistant Under-Secretary of State for External Affairs, and Messrs. R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs; M. Cadieux, Assistant Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; W. T. Delworth, Executive Assistant to the Minister; H. Best, Executive Assistant to the Minister; J. H. Taylor, Executive Assistant to the Under-Secretary of State for External Affairs; H. F. Davis, Head, European Division; H. F. Clark, Head, Finance Division; K. Goldschlag, Head, Economic Division II; J. H. Cleveland, Head, American Division; C. Hardy, Latin American Section. *From the Department of Trade and Commerce:* Dr. O. E. Ault, Director, Economic and Technical Assistance Administration, assisted by Messrs. D. Bartlett, Chief of Planning; F. E. Pratt, Chief of Capital Projects; W. D. Mills, Chief of Technical Co-operation; and J. H. Marshall, Chief of Finance and Administration. *From the Canadian Section of the International Joint Commission:* General A. G. L. McNaughton, Chairman, assisted by Miss E. M. Sutherland, Secretary, and Messrs. D. G. Chance, Assistant Secretary; E. R. Peterson, Engineering Adviser; J. L. MacCallum, Legal Adviser; and A. J. Murphy, Draftsman.

Your Committee has considered the above listed Items, approves them, and recommends them to the House for approval.

The deliberations of your Committee were necessarily restricted and pervaded with a great sense of loss by the untimely death of the Secretary of State for External Affairs, Dr. Sidney E. Smith, and the passing of Mr. W. D. Matthews, Assistant Under-Secretary of State for External Affairs, both of whom your Committee found of great assistance in its studies.

Your Committee expresses its appreciation to General McNaughton for his forthright presentation of the activities of the International Joint Commission and for his outstanding work on behalf of Canada. General McNaughton can rightly take a large share of credit for the increased degree of understanding between the Governments of Canada and the United States regarding the solution of the many problems related to the development of Hydro-Electric Power in the Columbia River Basin.

Information presented to the Committee indicates that the problem of the Palestine Refugee in the Near East is no closer to solution than it has been for the past eight years. During that period Canada has contributed, through the United Nations Relief and Works Agency, assistance valued at over nine million dollars. This sum has apparently little relationship to the per capita contributions made by other contributing countries or to Canada's

interests in the area. While your Committee recognizes that Canada's foreign policy is closely associated with the policies of the United Nations it does not necessarily follow that expenditures for relief and particularly commitments of a continuing nature should be made in a specific area without first determining whether funds might be put to better use in programs of rehabilitation. Your Committee recommends that further study be given to programs requiring expenditures of this kind. The Committee is hopeful that initiative may be taken toward a solution of this refugee problem.

With regard to the Colombo Plan, your Committee feels that a great deal more can be done to inform the Canadian Public of the use made of Colombo Plan funds abroad, and of the procurement of services and Canadian-made goods for shipment to Colombo Plan countries. While it is appreciated that a certain amount of planning toward this end is now going on in the Economic and Technical Assistance Administration Branch of the Department of Trade and Commerce, your Committee is of the opinion that an immediate start should be made on the formation of an Information Service within the Administration. This could probably be accomplished by the employment of an Information Officer and the utilization of Information facilities existing in the Department.

Your Committee learned that there were still many properties occupied by the Department abroad as Embassies, Consulates and Chanceries on a lease basis. In view of the reciprocal arrangements relating to the freedom from taxation of property owned by foreign missions and the fact that property values in many parts of the world have continued to appreciate since the conclusion of World War II, not to mention the periodic difficulties encountered in attempting to re-negotiate leases, it is apparent that additional emphasis placed on a program of property acquisition would, over a long term, result in a considerable saving of Public Funds.

As recommended in its Report presented to the House on Wednesday, August 20, 1958 your Committee was enabled to commence its sittings within one month of the beginning of this Session and this has greatly contributed to the orderly and efficient manner in which it has conducted its deliberations. It urges that its work may be scheduled in a similar manner at future Sessions.

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,

H. O. WHITE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, April 23, 1959.

The Standing Committee on External Affairs met at 9.15 a.m. this day. The Chairman, Mr. White, presided.

Members present: Messrs. Argue, Dinsdale, Fairfield, Herridge, Jones, Jung, Lennard, Macquarrie, Martin (*Essex East*), McCleave, McGee, Montgomery, Richard (*Ottawa East*), Smith (*Calgary South*), Stinson and White—(16).

In attendance: From The International Joint Commission (Canadian Section): General A. G. L. McNaughton, Chairman; Miss E. M. Sutherland, Secretary; Mr. D. G. Chance, Assistant Secretary; Mr. E. R. Peterson, Engineering Adviser; Mr. J. L. MacCallum, Legal Adviser; and Mr. A. J. Murphy, Draftsman.

The Chairman observed presence of quorum and called upon General McNaughton to answer certain questions asked at a previous meeting.

Items 96 and 97, relating to the International Joint Commission were called and General McNaughton proceeded with his review of the Commission's activities from the Souris River to the Columbia River Basin.

During the course of his statement copies of the "Report to the International Joint Commission United States and Canada—Water Resources of the Columbia River Basin—Economic Studies" prepared by the International Columbia River Engineering Board, and Appendix VI thereto, were distributed to the Members of the Committee.

At 10.55 a.m. the Committee adjourned to meet again later this day.

AFTERNOON SITTING

The Standing Committee on External Affairs met at 3.50 p.m. this day. The Chairman, Mr. White, presided.

Members present: Miss Aitken, Messrs. Allard, Fairfield, Garland, Hellyer, Herridge, Lafreniere, Lennard, Mandziuk, McCleave, McGee, Montgomery, Nugent, Pratt, Richard (*Ottawa East*), Smith (*Calgary South*), and White—(17).

In attendance: In addition to those persons listed in attendance this morning, Mr. J. H. Cleveland, Head of American Division.

The Chairman called on General McNaughton to continue his presentation, following which he was questioned.

Copies of 3 tables relating to alternative projects in the Columbia River Basin were distributed to members and ordered printed as an appendix to today's record. (*Appendix "A"*)

Items 96 and 97 were adopted.

Item 76—Departmental Administration—was called and adopted.

At 5.00 p.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

MONDAY, May 4, 1959.

The Standing Committee on External Affairs met *in camera* at 10.00 a.m. this day. The Chairman, Mr. White, presided.

Members present: Miss Aitken, Messrs. Argue, Fairfield, Herridge, Jones, Kucherepa, MacLellan, Macquarrie, McCleave, McGee, Richard (*Ottawa East*), Smith (*Calgary South*), Vivian, and White—(14).

A draft "Report to the House" containing certain observations and recommendations was considered. Following discussion, it was amended and the Chairman instructed to present it to the House as the Committee's "Second Report".

The work of the Committee was reviewed and suggestions concerning the future scope of the Committee's deliberations were considered.

At 10:45 a.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

THURSDAY, April 23, 1959.

9 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. There were one or two unanswered questions from the last meeting. One dealt with water resources and pollution in New Brunswick. General McNaughton has indicated that he will answer those questions at this time. We will then proceed with the consideration of items 96 and 97—the International Joint Commission—at the point that the General left off. At our last meeting we were dealing with the Souris River.

General A. G. L. McNAUGHTON, P.C. (*Chairman, Canadian Section, International Joint Commission*): Mr. Chairman, the question in respect to the present standing of provincial legislation in the province of New Brunswick in regard to water resources and pollution control was asked by Mr. Pratt.

In 1956 the legislature of New Brunswick passed an act in regard to this subject. Primarily it was an act to set up an organization to study the matter and then bring in recommendations. Since that time the matter has progressed and in 1958 an amendment to the act was made which provides for the control of the use of the water in lakes, streams and water courses in the province. It also provided for the control or prevention of pollution of such water, the allocation of the use of such water to the several users or applicants therefor, and the fixing of penalties for the violation of any regulation made under authority of this section. Further, the act provides that these regulations shall have the same force of law as if enacted by the legislature. The act was to come into force on a date to be fixed by proclamation. As this proclamation has now been made, New Brunswick has effective legislation for the control of water pollution in the rivers and waters of New Brunswick.

The other question related to the Souris. I reported that the studies of the Souris had been completed by the International Joint Commission and that under date of March 19, 1958, a report, with recommendations, was made to the governments of Canada and the United States. I also reported that by a letter over the signature of the Prime Minister, bearing the date of March 20, 1959, we were informed that our proposals had been accepted. May I table this letter?

The CHAIRMAN: Is it agreed that it be printed gentlemen?

Agreed.

Miss E. M. Sutherland,
Canadian Section,

International Joint Commission, Ottawa.

I refer to your letter dated April 11, 1958, addressed to the late Secretary of State for External Affairs, concerning a report of the International Joint Commission dated 19 March, 1958, to the governments of the United States and Canada, on the Souris river reference of 15 January, 1940.

I am pleased to inform you that the government of Canada approves the new interim measures recommended in paragraph 22 of the report of 19 March, 1958 in lieu of the interim measures which were recommended in the commission's report of 2 October, 1940.

At that time we had not heard from the government of the United States. Since then, under date of April 3, 1959, we have a copy of a letter which was sent to the chairman of the United States section of the commission, signed by Mr. Douglas Dillon as under secretary for economic affairs. May I table this letter?

The CHAIRMAN: Is that agreed, gentlemen?

Agreed.

Department of State
Washington

The Honourable Douglas McKay,
Chairman, United States Section,
International Joint Commission.

The department has given careful consideration to the report of the International Joint Commission to the United States and Canadian governments, dated March 19, 1958, on the Souris river. This report reviews the events which have taken place since January 15, 1940, when the two governments first referred this matter to the commission. It also presents, in paragraph 22, recommendations for amending certain interim measures which have been in effect since 1941 and which, with changing times and altered circumstances, have now been found to require modification.

Paragraph 22 recommends to the two governments that they authorize the commission to create a joint board of engineers, to be designated as the international Souris river board of control, and that they approve five interim measures, which are described in detail in that paragraph, as substitutes for the interim measures recommended in the commission's report of October 2, 1940 and approved by the United States and Canadian governments on March 28, 1941 and April 25, 1941 respectively.

I am pleased to advise you that the government of the United States approves all the recommendations of the commission contained in paragraph 22 of its report on the Souris river, dated March 19, 1958.

The letter which I have just mentioned also accepts the recommendations which we have made. The first duty of the Commission will be to take steps to bring these arrangements into effect.

General McNAUGHTON: There was a further question asked at our last meeting in respect to the Souris region. It related to the Garrison dam on the Missouri river and the use to which the waters of that dam might be put, including a proposal which was under study by one of the engineering boards of the commission for the use of the channel of the Pembina river to carry waters to certain areas in the United States which were under study from the point of view of irrigation.

I had a map of the region, showing the plan of the proposal, enlarged; it is on the stand. The pointer is now indicating Garrison dam. The waters from that particular reservoir on the Missouri river will flow along the line that is being indicated and go down to the north of Minot, which is on the loop of the Souris river, in North Dakota. These waters will be used in that region flowing to the east of the canal, which is shown by the red line, recovered again and brought into other reservoirs and then brought down to the south and siphoned over so that they flow through the Devil's lake region into the other existing channels at that point. The waters will be used generally for the irrigation of the land, which is shown further to the east, near the Red River. That is the land which the United States are planning to irrigate. Difficulty has been experienced in reaching by gravity the

region which has been indicated by the pointer. This region is south of the Pembina river and still to the west of the Red river.

The proposal which is under study is to take some of the waters derived from the return flows in the Souris basin and carry them down the Souris river with a connection across the height of land which is not very high, into that area which, is occupied at present by a chain of small lakes, thus bringing them into the Pembina basin, through a loop and back into the United States to be used to irrigate that region immediately to the south.

We can give you no report on the practicability of that proposal because the matter is still under study by the International Souris-Red Rivers Engineering Board. We do not know whether or not it is entirely practicable, nor do we know what advantages would come to Canada from that service of transmission of water which would be rendered to the United States.

These matters will be discussed in the commission as soon as we have the engineering background. That is all I have to say in respect of the Souris unless there are some questions.

Mr. McGEE: How does the canal cross the river as it is?

General McNAUGHTON: There is a siphon proposed under the river. The water would come down, go under the river and come up again.

Mr. McGEE: Through a pipe?

General McNAUGHTON: Yes.

Mr. DINSDALE: Unfortunately the other day I was not able to be here when this subject was discussed. It is an area of special interest to me. I have had an opportunity of reading the report of the discussion. I notice General McNaughton referred to the fact that Manitoba had not established its necessity in terms of the flow of water across the border into the Souris river, particularly in the Melita and Souris town areas. I was not quite clear what General McNaughton meant by that point. Do you mean to suggest there has been no change in the agreement in respect to the 20 cubic feet per second flow?

General McNAUGHTON: Many years ago an agreement was reached with the United States wild life authorities, who operated the game refuge in the region indicated on the map, that during the five summer months a flow of ten cubic feet per second would be released into Manitoba to provide the needs of stock watering and domestic uses along the Souris river to the north of the boundary. It was found that that ten cubic feet per second was inadequate. At the request of the Manitoba authorities it was again taken up in the commission. The agreement was reached that the ten cubic feet per second should be increased to twenty cubic feet per second.

When the matter was being further considered over the last few years the representations received by the commission from Manitoba asked only for the maintenance of the flow of twenty cubic feet per second.

You will, of course, appreciate that if it were not for the reservoiring of this water in North Dakota we would either suffer a plenitude of flow because of the water coming across in the spring in the form of floods or we would have no flow at all because in nature the Souris in the late summer becomes almost a dry stream.

So there is a very considerable advantage to the inhabitants of the region in substituting a regulated flow, even if a small one, for flood flows on the one hand and destitution on the other.

In so far as the commission was concerned the representation was that if we could maintain the twenty cubic feet per second in the five summer months the requirement would be satisfied. There was one additional proposal raised, namely, that there should be a flow of ten cubic feet per second added in the winter months. However, when that was gone into it was found it would not be an effective proposal because the river freezes and you would not be able

to get the water through in the winter-time. That proposal was not supported in the commission by the local authorities.

I think everybody recognizes there are developing needs in Manitoba and there will come a time when more waters will be required in Manitoba. The consequence of that is that the proposals which we have made to the government and which have now been approved are in the nature of interim proposals. The matter is still before the commission and if Manitoba makes representations which will establish the uses, the matter can be very easily taken up again. Of course, the procedure requires consent on both sides, but we have reached the point in the discussions that, generally speaking, although perhaps not specifically in this instance, the needs for human consumption and stock watering have been placed in a high priority. I do not have any doubt whatever that our colleagues on the commission would entertain a proposal on that basis.

Mr. DINSDALE: I presume that the Manitoba government is presenting the issue rather strongly in view of the problem which occurred there last winter?

General McNAUGHTON: Yes. As I recall it, there was very little coming out of the Souris, and there was not enough water in the dam on the Souris at that time. Remedial measures were taken to sandbag the dam and to provide a little more head, so that the intake pipes and so on would be covered and pumping could go on. Additional water was arranged to be let down. We got it from North Dakota, I understand, through the courtesy of the wildlife service, and it was a temporary solution pending the agreement for an increase in the height of the particular dam. At any rate, in recent months we have had no representations that the situation had not been met.

Mr. DINSDALE: Is it contemplated that the proposed diversion on the Souris river to the Pembina region would increase the flow across the border?

General McNAUGHTON: It would very materially increase the flow of the Souris. The proposal which is under consideration is to use that channel of the Souris to transfer water into the Pembina. There has been no suggestion yet, or no demand as yet, from either side that this would constitute the water supply of the region although that might be arranged if desired, because there would be additional water.

One thing you must bear in mind is that we must be very careful about any arrangement which we make. The water which will reach that channel is water which would already have been used for the irrigation of regions in the Souris loop. There is a lot of alkali in that region and of course the water will leach out that alkali and it will acquire a considerable salt content. That is one of the things we must be very careful about before we consent to the use of that channel for the movement of water, because it might have an effect on the usability of the water for domestic and stock watering purposes.

I cannot give you information on that as yet, Mr. Dinsdale, because the matter is now under study by our engineering board out there. But in my talk with the officers concerned I learned that all these various questions are being taken into consideration and assessed.

Mr. DINSDALE: It would appear that there would be no action to implement this proposed scheme for some time and that negotiation would occupy a considerable period of time and discussion.

General McNAUGHTON: In talking with the chairman of the Canadian section of the board, I understand that studies are being pressed ahead, and that they hope that at the commission's meeting in Washington in April we will have at least a progress report which will outline the possibilities and practicabilities of this situation to us. I beg your pardon: I should have said at a meeting in Ottawa in October this year.

Mr. DINSDALE: Thank you.

The CHAIRMAN: Are there any further questions?

General MCNAUGHTON: Mr. Chairman, I thought that that would give us a pretty comprehensive picture of the work that the commission has in hand in one way or another, through one mechanism or another, in the prairie provinces. That brings us now to the big problems which are before the commission in regard to the Columbia river basin in British Columbia.

The matter of the Columbia is before the commission by reason of a reference which is dated March 9, 1944, in which the two governments invited the commission to make comprehensive studies of the Columbia basin in both countries, and to determine whether, in its judgment further development of the water resources of the river basin would be practicable in the public interest from the points of view of the two governments, having in mind the domestic water supply, sanitation, navigation, fish development, water power, control of floods under irrigation and reclamation of lands, and conservation of fish and wildlife, and, to make sure that we did not overlook anything, for other beneficial public purposes.

I think you will agree that that was a pretty comprehensive mandate which was given. It was something which, before much progress could be made, required the collection and assessment of engineering facts that govern the flow of water in that basin.

These studies were immediately placed in hand. They have been prosecuted with great vigour. The United States, with much greater resources than we have, naturally made more rapid progress in their section of the basin. They also had earlier need for power. So in consequence they were able to bring to bear a good deal more information than we were during the early years of the reference.

We had to start without even topographical maps of the region. Surveys had to be run and maps drawn and printed, and the topography and hydrology of the basin worked out, as well as studies of the snow melt, water supply generally, and so on.

Now I am happy to say that those studies of which I read are now complete and that we have received from the international Columbia river engineering board, which was the body entrusted with the preparation of these studies, their report*, which was presented to the commission at our meeting in Chicago.

That meeting was held on March 16 to 18 of this year and for three days we had not only the engineering board itself but also their working committees and their experts in each field, appear before the commission in turn, taking up the various sections of this report, and then they gave us comprehensive explanations of what it all meant, and answered the pointed questions which were posed to them by members of the commission itself.

I have some fifteen copies of this report available which I will be happy to distribute. I had hoped to have a reprint ready for presentation to the members of your committee today, but it is not yet available. However, the essential tables, the most important tables of information are being reprinted in a memorandum which we will have available shortly, at which time I will provide the Committee's secretary with copies for each member of this committee, if that is your will.

The CHAIRMAN: Thank you.

* Report to the International Joint Commission, United States and Canada, Water Resources of the Columbia River Basin, prepared by the International Columbia River Engineering Board. 1 March 1959.

General McNAUGHTON: We have fifteen copies which I thought might be useful for the members to have.

The CHAIRMAN: I know they will be glad to have them.

General McNAUGHTON: The document we are having prepared is a summary of this report. I hope it will give the technical information and set forth the whole matter so it can be followed somewhat easier than it could be from the report we have here.

There is another aspect of this matter to which I think I should refer before describing this report in detail. This information is purely factual. The great problem that has faced us in the commission arises from the fact that the Columbia river and its principal tributaries rise mostly in Canada and eventually flow across the boundary into the United States. These rivers can be dammed in Canada so that the great flows of the spring and early summer can be stored in reservoirs and released at a uniform rate throughout the year for the benefit of power production.

It is important to realize that the use of the waters from these reservoirs for the production of power will draw the reservoirs down. Normally by early spring the reservoirs will be nearly empty. They catch the flood flows which come in the spring and early summer; they hold back these flood flows and prevent considerable damage in the river bottoms downstream which have been built up for industrial purposes and other reasons. In this particular basin, we are very fortunate in that the use of the flows from the reservoirs for power and the use of the reservoirs themselves for flood protection are compatible. With proper management you can gain both advantages without interfering too much with the values of each particular part, the power or flood protection. It is evident from the studies of the engineering board that it is in regard to flood protection and power that the principal advantages of international collaboration will result.

Now, it is a fact that most of the new reservoir capacity which can be provided will be in Canada and a considerable portion of the benefits that come from the provision of these reservoirs will accrue to the downstream interests in the United States. As a consequence, it is necessary to consider the division of these benefits. The country which reservoirs the flows naturally has a right to receive recompense for the great service which it will render to the downstream states. In fact, there was some doubt as to whether such a consideration was in the mandate given to the commission by the reference of March 9, 1944; but happily that matter has been set at rest by an interchange of correspondence between the two governments.

Under date of January 29, 1959, we have been informed that: "The governments of the United States and Canada, as part of their continuing discussions, have agreed to request the International Joint Commission to report specially to the governments at an early date its recommendations concerning the principles to be applied in determining (a) the benefits which will result from the cooperative use of storage of waters and electrical interconnection in the Columbia river system, and (b) the apportionment between the two countries of such benefits, more particularly in regard to electrical generation and flood control".

I would like to table copies of these two letters. The Canadian letter is dated January 29, 1959, and our colleagues in the United States received their letter from Mr. John Foster Dulles, Secretary of State on the previous day, January 28, 1959.

The CHAIRMAN: Would you like these letters printed in the record?

Agreed.

The Secretary of State for External Affairs
Canada

Ottawa, January 29, 1959.

Dear Madam,

I wish to refer to the letter dated March 9, 1944 from the Secretary of State for External Affairs to the Secretary of the Canadian section of the International Joint Commission, which sets out the terms of the Columbia river reference.

The first paragraph of this letter deals with the general objectives of the reference, and it states in part as follows, "... in order to determine whether a greater use than is now being made of the waters of the Columbia river system would be feasible and advantageous, the governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to article IX of the convention concerning boundary waters between the United States and Canada, signed January 11, 1909".

The governments of the United States and Canada, as part of their continuing discussions, have agreed to request the International Joint Commission to report specially to governments at an early date its recommendations concerning the principles to be applied in determining

- (a) the benefits which will result from cooperative use of storage of waters and electrical interconnection in the Columbia river system, and
- (b) the apportionment between the two countries of such benefits, more particularly in regard to electrical generation and flood control.

Yours sincerely,

Sidney Smith.

The Secretary,
Canadian Section,
International Joint Commission,
Ottawa.

Department of State, Washington

January 28, 1959.

Dear Governor McKay:

I wish to refer to the letter dated March 9, 1944 from the Secretary of State for External Affairs to the Secretary of the Canadian Section of the International Joint Commission, which sets out the terms of the Columbia river reference.

The first paragraph of this letter deals with the general objectives of the reference, and it states in part as follows, "... in order to determine whether a greater use than is now being made of the waters of the Columbia river system would be feasible and advantageous, the governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to article IX of the convention concerning boundary waters between the United States and Canada, signed January 11, 1909".

The governments of the United States and Canada, as a part of their continuing discussions, have agreed to request the International

Joint Commission to report specially to the governments at an early date its recommendations concerning the principles to be applied in determining:

- (a) the benefits which will result from the cooperative use of storage of waters and electrical interconnection within the Columbia river system; and
- (b) the apportionment between the two countries of such benefits more particularly in regard to electrical generation and flood control.

Sincerely yours,

John Foster Dulles.

The Honourable
Douglas McKay,
Chairman, United States Section,
International Joint Commission,
Washington 25, D.C.

General McNAUGHTON: Mr. Chairman, these letters clear up any doubt there may have been. We, on the Canadian side, have never had any doubt about it, but our American colleagues entertained some doubt in regard to the studying and reporting on the allocation of benefits. However, that matter has been cleared up.

Mr. MARTIN (*Essex East*): You say there was no doubt about the situation in Canada; was there any issue on this score in the United States from a public interest point of view?

General McNAUGHTON: Some doubt arose as to the actual meaning of the words in the original letter.

Mr. MARTIN (*Essex East*): I know, but was there any public issue as to the commission's authority?

General McNAUGHTON: Of course it would have been very advantageous to the United States if Canada could have been induced to proceed with the development of storage upstream and make no claim in regard to the value of the use of the waters downstream. It might have been held to be advantageous, but the result would have been that there would have been no storage upstream because it is necessary in rendering services that a due share of the burden should be carried and due and proper recompense should be given for the use of Canada's resources when they are used for the benefit of the United States. That situation was a matter of public controversy in the United States, but I feel that aspect of the matter has been resolved through the passage of these letters.

The commission now has its mandate to proceed with the formulation and eventual presentation to the governments of realistic proposals which, I am sure, will give great benefits to both countries. In this connection, the more we have had the opportunity to study the facts given to us by our engineering board, the more we are satisfied that there are indeed immense benefits which can be derived by both countries through cooperation and collaboration in regard to the solution of these particular problems.

Mr. Chairman, these discussions within the commission are proceeding at frequent intervals at the present time. The first discussion of this particular aspect, represented by this interchange of notes, took place in New York on February 17 and 18 of this year. Then, following the engineering board's presentation of the factual data in regard to the Columbia at our meeting in Chicago on March 16 and 17, we had another close discussion on March 18 in respect to the question of benefits and their division. We

advanced the matter in a further meeting held in Washington in April. We are due to meet again in Montreal on the thirtieth of this month and will continue our discussions on May 1.

Since these discussions are in process and up to the moment mostly related to clarification of positions on either side, I do not think it would be either useful or practicable to attempt to depict the situation in any detail. Essentially, it is a fluid or flexible position. In regard to our side, we are trying to find out what is in the other side's mind. We are endeavouring to learn their views as to what would in fact constitute the best way to handle this matter. No firm conclusions have been reached as yet, and until we know more, I think it would be desirable if we refrained from going into the significance of statements which we may find were not firm but mostly put out for the purpose of inviting argument.

I think what I could do usefully for you, if you and your committee agree, is to take the factual report of the engineering board and go through it with the committee as briefly as possible, directing attention to the highlights and giving a sort of general picture of the magnitude of the projects which are under review and all the benefits, both in flood control and in power, which will be derived therefrom, both to the upstream state and to the downstream state. It would be not only to give the picture of this matter in terms of the quantum of flood protection but the quantum of the power benefits; and also to give a picture of the financial costs on capital account and the annual charges which are involved.

I must mention, sir, that the Columbia basin represents a large percent of the possibilities in regard to hydro electric development both in Canada and in the USA. For example, in the United States the figures are literally immense. So I hope when I use millions—and indeed on occasions I have to use billions—that it will not be too much of a shock to those of us in this country who are not normally used to dealing with such large amounts.

We have been able only to provide a limited number of copies of the Engineering Board's report at the moment. The first part of it represents a summary of the existing position. It gives a description of the basin in both countries, the increase of the stage of development in various lines and the possibilities the future holds. A chapter on the water resources of the basin commences at page 33; and there is a very useful summary of the whole position given in the pages that follow, together with some recent very excellent photographs of some of the communities along the river, which will give you an idea of the kind of topography with which we must deal and the appearance of some of the immense developments which have already been made in the United States. Then commencing at page 43, the board has given us an idea, not only of the present but also of the prospective use of the water resources of the region. On page 45 there is a table showing the major hydro electric developments in the basin as they are at the present time. In regard to Canada, we have a storage in Kootenay lake of 817,000 acre feet usable annually and 271,000 kilowatts of installed capacity. The plants are on the west arm of Kootenay lake. There is a plant at Waneta on the Pend d'Oreille, which has a capacity of 144,000 kilowatts. There is also a plant on the Whatshan, a tributary of the Columbia river, which has a capacity of 34,000.

Mr. HERRIDGE: Would you explain what the word "pondage" means. There is no figure given as usable storage.

General McNAUGHTON: Pondage means there is enough capacity in the reservoir to take the momentary fluctuations of the load on the plant. You can draw the plant down a bit and it will carry you for perhaps twenty-four hours. When we refer to storage, it is something of a different order of

magnitude. The total in Canada represents about 900,000 acre feet of storage, with an installation of about 449,000 kilowatts. When we come to the United States portion of the basin, there is already installed on the Columbia main stem and on tributaries nearly 15 million acre feet of storage and the installed capacity is now over 8 million. The additions, which are under construction, run to about 1½ million acre feet of usable storage, with installed capacities of the order of 4 million kw in process of construction or installed.

You will notice the amount of storage which has been found practicable to put under construction in the United States in connection with the present programs is very small indeed compared with the installations which were being built in the river itself. Indeed, in regard to further development, that is one of the great difficulties that exist in the United States at the present time, namely that the desirable sites for storage have largely been taken up and for one reason or another there is great public resistance to the principal projects which have been put forward by the army engineers, for instance in Glacier park, which is a desirable storage site. The fisheries and recreation interests are adverse to having regions of that park flooded out.

In other places the wildlife interests are against the flooding of reserves which are used for the grazing of deer, elk and so on. Of course, lower down in the Columbia Basin, the problems of anadromous fish and their migration upstream and downstream usually prevent the construction of reservoirs. Reservoirs of necessity must occupy river valleys and these have been put into use for other purposes, such as industrial development, which is taking place. These would have to be paid for if they were taken over for storage, and it makes the cost literally prohibitive.

We are particularly concerned with some of the river valleys. I am thinking particularly of the Kootenai in the United States and the great loop of the Kootenai which runs through Montana and Idaho; it is marked in red on the map. For many years that river valley has been used as the route for great trans continental lines that run almost at river level, and the building of a dam, even of a few feet in height, would flood out long lengths of these lines. Before the dam can be constructed and the reservoir put into use the railways must be relocated, which is an extremely expensive process in mountainous regions.

It is that consideration which must be and has been very largely in the minds of the planners in these regions. There is roughly 550 feet of head between where the river crosses from Canada to where it returns into Canada again and flows down into Kootenay lake. Of that 550 feet of head the proposals call for about 190 at Libby. They had under consideration development of 160 feet at Kootenai Falls and there was another 100 feet at Katka, which is further downstream. The 190 feet at Libby is recognized to be quite an uneconomical project unless Canada would consent to donating an additional 150 feet of Canadian head above the boundary permitting the flooding into Canada, as part of that Libby reservoir, of the Kootenay valley running all the way up to Bull river.

Mr. MCGEE: In regard to that flooding, what would happen to No. 2 highway?

General McNAUGHTON: It would require relocation, as would a number of railways in that section.

Mr. McCLEAVE: Could the witness say whether one of the lines that might be flooded out is the Kettle valley railway, which we hear about from time to time in the House of Commons?

General McNAUGHTON: Kettle valley is further north; it is not in this region. That is affected, but it has to do with another part.

Mr. McCLEAVE: I thought we might solve two problems at once.

General McNAUGHTON: I just mentioned these problems to illustrate it is not a simple matter to go into a country where development is and has taken place through the years and plan dams across rivers, thereby flooding out communities, because the cost of doing it makes these problems exceedingly difficult to handle.

Mr. McGEE: Would the storage sites be above or below Dorr?

General McNAUGHTON: The United States proposal for Libby dam carries the flooding right across the site of the Dorr dam. It is shown in profile there. It floods up to the base of the proposed site at Bull river.

Mr. McGEE: What is the degree of development in that area? Are we facing the same problem concerning wildlife and other impediments?

General McNAUGHTON: We are a phase behind the United States in development; but the problem of relocation, compensation and the moving of communication routes are not nearly as severe from a cost point of view. Further, there are psychological and other considerations that must not be lost sight of when considering some of these proposals for reservoirs which we have had before us. If I may, I would like to return later to that particular problem, as it affects two of our reservoirs.

Now, gentlemen, if you would look at page 98, paragraph 232. I thought I would bring to your attention the magnitude of the undertakings which are contemplated. I am using here the figures for High Arrow, and in relation to the non-diversion proposals—that is the use of the flows of the Kootenay river in their own channel—you will see the figures 2,878. Those are megawatts. That means that the development in Canada which would be contemplated would be 2,878,000 kilowatts. As I mentioned, we have at the present moment 437,000. The increase that would result to Canada through these proposals would be 2,441,000 kilowatts. In the United States, with that scheme, there is an output contemplated of 13,855,000 kilowatts of which 8,258,000 re in existence, or an increase of some 5,597,000.

The Copper creek diversion, in which the water of the Kootenay river would be diverted by a dam at Copper creek on the Kootenay and turned northward through the Columbia lake and Lake Windermere and down the Columbia itself, would yield an increase to Canada of 2,682,000 kilowatts, which is 241,000 kilowatts greater than we would have if none or the flows in the Kootenay itself were diverted.

Mr. JONES: In order to enable us to compare this chart with the one on page 44, what is the connection between the figure you have just mentioned in respect of the present Canadian output on page 98 and that to which you referred in table 12 on page 45? One gives 449,000 and the other 437,000.

General McNAUGHTON: The first figure I gave you is the figure of installed capacity of 449,000 kilowatts. This figure of 437,000 is the actual amount of energy measured in kilowatt years that could be obtained on the average over the particular twenty-year period of the study. In other words, you do not get the full 100 per cent use continuously of the capacity which is installed.

Mr. JONES: It will not operate to capacity over a period.

General McNAUGHTON: That is right. This is the actual production over the twenty year period which is given. If you wanted to get it down to the particular critical period, which is a period of three or four years, or 44 months, of low flow, the reduction of the existing capacity in Canada would be still greater; we would only get 346,000 kilowatts out of it. Does that answer your question?

The third method which is the one we have proposed is the use of the flows of the Kootenay river in what is known as the Dorr diversion. For these studies we have proposed that a dam should be built at the Dorr site which is down pretty close to the boundary on the Kootenay. On the elevation chart you will see that the tail water at Dorr is 37 feet above the boundary. That dam would capture the flows of the Elk and Bull rivers, both of which are important tributaries.

At the Bull river dam which also would be built there would be a pumping plant requiring about 50 megawatts of energy to raise the waters which are impounded by the Dorr dam to put it in the reservoir behind the Bull river dam from where it would be able to flow down through the Bull-Luxor reservoir, then flow through Columbia lake and Lake Windermere and thence from Luxor on down the Columbia itself through a head plant at Calamity Curve, another plant at Mica, another plant further down at Downie creek and a further plant at Revelstoke canyon. Under certain circumstances there might be another plant at the head of the Arrow lakes to capture the head between the Revelstoke canyon site and the level of the arrow lake itself depending upon the elevation of the latter.

Then the ordinary flows of the Columbia river, plus the additional flows to be captured, continue down through the Arrow lakes into the storage above Murphy creek; or, by some proposals, it has been proposed there be a high storage on Arrow lake itself.

There is another head plant at Murphy creek. The tail water at Murphy creek is about 42 feet above the boundary and there are possibilities of another head plant at the boundary itself which would capture about 40 feet of that head. If that plant were ever constructed it would be very important because through that would pass something like 65 million acre-feet, the flow of the Kootenay, the Columbia and the Pend d'Oreille, annually on the average. It would be quite a large plant. That gives you an idea of these three proposals which I have mentioned.

I now would like to say that with the Dorr diversion the power which would be added in Canada would be 2,852,000 average kilowatts of energy annually in this twenty year period which the board has made the object of its study. If you subtract 2,441,000 from 2,852,000, you will see that the Dorr diversion adds more than 400,000 kilowatts of average energy into Canada which is a very important consideration by reason of the tremendous value. It has as well other importance about which I will tell you a little later because the costs by way of that diversion, and doing the reservoiring of water in our own country, are very much less. These costs you will find later when I come to that point in my argument are some \$300 million less than they would be by the alternative method.

I think I can say without any doubt that if these matters were being considered strictly from an international viewpoint and if there were no boundaries whatever there is very little doubt as to what the real development of the upper Columbia would be. It would be to route the water by way of the Dorr diversion to take advantage of the additional heads which can be developed along the Columbia and make use of these flows to the best advantage.

Now I would like to go briefly into the question of the costs which are involved. Members of the committee will appreciate that the studies, carried out by an international board, must of necessity be on an international basis.

The first problem of finance is related to the interest rate, what you have to pay for the large sums of money needed to carry out these developments. For projects under federal auspices in the United States the average rate is close to 2.5 per cent. Our corresponding figure based on the average paid by the Department of Finance for federal financing of bonds over a long term

period is 4 per cent. More than two-thirds of the investment is in the United States itself, and will in fact be carried out with funds provided at this $2\frac{1}{2}$ per cent rate, or close to it. The best we can hope for is an average of the rates which have been paid on our bonds and that comes to 4 per cent.

In order to do the studies the committee has to adopt one rate. The Board arrived at a figured of 3 per cent. All these figures given in this report are based on an interest charge of 3 per cent. Of course, it does not mean that the costs go up in the ratio of 4 per cent to $2\frac{1}{2}$ per cent, because in connection with hydroelectric projects there are a number of costs, for instance the operation of the dams, which are estimated directly in dollars. So, because you go as I say from $2\frac{1}{2}$ per cent to 4 per cent you do not increase the over-all cost in that ratio.

The second thing the board adopted was that they would assume that there was no rate of exchange on money between Canada and the United States. As matters now stand, of course, our money is a little higher than the United States money. That does not affect these estimates appreciably because the costs to be incurred in Canada have been estimated in Canadian dollars and the costs in the United States have been estimated in United States dollars. While in the absolute the values are somewhat different, for purposes of comparison we think that difference can be neglected.

Mr. Chairman, if you look at the table on page 101, paragraph 241 you will see that the total of the investment cost in the two countries is put at \$3,853,800,000 for the non-diversion scheme, followed by roughly \$3,600 million in the Dorr diversion scheme. The annual costs run from \$176 million down to \$165 million.

One must realize that this planning is a long-term planning. It is contemplated that the plans would be laid out to cover a development which might extend over two or two and a half decades. Therefore these large sums of money are not contemplated to be required immediately. They would only be required to provide the hydroelectric power developments as the needs of the market called for them.

I wish particularly to call to your attention to the economics of the Dorr diversion because it is some \$300 million less expensive in capital cost and something like \$11 million or \$12 million less expensive on annual cost than the non-diversion scheme.

In the table in paragraph 242 the incremental costs per kilowatt are given. Again you will note that the Dorr diversion is substantially less expensive than the other projects.

In paragraph 243 the projects in Canada and the United States in relation to incremental costs have been separated and the figures are given for each country. In respect of the Dorr diversion, you will note the cost in dollars per kilowatt year in the United States is \$18.74 as against \$20.35 in the critical period, and \$22.18 as against \$23.88 in the twenty year period. There is a slight advantage in the twenty year period basis to the Dorr diversion scheme. That is in respect to these plans of diversions.

We now come to the Arrow lakes in respect of which there are two projects before the commission; one for High Arrow and the other for Low Arrow. The comparison of those two projects is given in paragraph 243. If you take the comparison of production, in the twenty year period, of High Arrow in the Dorr diversion 2,852,000 kilowatts for Canada with the Low Arrow which is also put down at 2,852,000 kilowatts, it becomes evident, I think, that from the point of view of power production Canada would obtain no advantage whatever from flooding out of the territories along the Arrow lakes to give the increased storage represented by the High Arrow project.

The advantage powerwise in that project goes entirely to the United States. The only advantage which could come to Canada would be in recompense for power produced in the United States.

Mr. HERRIDGE: I am very interested in what you have to say about High Arrow. The proposal is of great concern to persons living along the Columbia from Castlegar to just south of Revelstoke. When the opportunity arises I wish you would give the committee some idea of what the result would be of the High Arrow on the district itself in respect of flooding the communities and the vicinities.

General McNAUGHTON: I should mention in answer to Mr. Herridge's question what is involved in the question of storage in these two propositions. Low Arrow, as described by the engineering board, calls for a level of 1402 at top water level which is about the level the floods go to in nature. The amount of usable storage behind Murphy creek would be 3.1 million acre-feet of storage.

In respect of the High Arrow the thesis which has been put up by those who are proponents of this project, because of the tremendous savings which would go to the United States downstream, is that once you get above a level of about 1411 which is the flood level along most of the lakes, that most of the damage has been done and it would not be very costly to raise the level from then on up until you flooded almost into the outskirts of Revelstoke itself, and that level would be 1446 which would represent a usable storage of just under 8 million acre-feet annually.

I have brought a map which has been produced before this committee previously in which the flooding along the Arrow lakes at these two elevations is indicated. Perhaps if we had that map put up it might give Mr. Herridge the information he requires.

Mr. McGEE: Do you mean by your previous statement that the buildings, cottages and so on located at the shore line would be flooded out by this movement up to 1411.

General McNAUGHTON: The levels rise to about 1402 in nature in the flood season in the spring. They occasionally go a little higher than that. There is very little development in that region on the shore of the lake up to 1402, but when you get to anything above 1411 then you have communities which are along the lake and industrial developments in Nakusp involved, with which Mr. Herridge will be very familiar, and the damage which occurs would be very considerable.

Then as you go higher than 1411 the theory is that you have relatively little more damage to pay so that there is a limit on the cost of it. That is a comforting thought for the financial people, but I myself do not think it would be very comforting to the people who are affected.

I do not have available here in Ottawa the details of the flowage damage in these regions. However, our staff has taken the charts and listed the various communities, the population, the numbers of persons involved in accordance with the 1956 census, and we have indicated in another column the effect of the flooding, either the high or low, for comparison.

Mr. Chairman, I think this table which we have prepared might be of general interest to the members of the committee.

The CHAIRMAN: Is it agreed that this be included as a part of our evidence today?

Agreed.

F — Flooded
 PF — Partial
 NO — No substantial effect

ESTIMATED EFFECT OF "HIGH" AND "LOW" ARROW
 PROJECTS ON THE FLOODING OF ORGANIZED COMMUNITIES.

Visual inspection of maps of the Columbia river basin M.S. series indicates that following villages and towns along the Arrow lakes would be affected by the raising of the levels of Arrow lakes. "High" Arrow lakes refers to a maximum water elevation of approximately 1446 feet above mean sea level controlled by a dam at the outlet of Arrow lakes. "Low" Arrow lakes refers to a maximum water elevation of approximately 1402 feet above mean sea level controlled by a dam at Murphy creek.

Population of organized communities (1956 census)		High	Low
41	Syringa Creek.....	PF (90% flooded)	NO
	Shields.....	F	NO
67	Deer Park.....	PF	NO
	Renata.....	PF	NO
	Broadwater.....	PF	NO
322	Edgewood.....	PF	NO (Lands flooded)
	Sherwood		
41	Makinson's Landing.....	F	NO
	Forslund.....	PF	NO
152	Needles.....	PF	NO
106	Fauquier.....	PF	NO
201	Burton.....	F	NO
17	Carroll's Landing.....	F	NO
47	Graham's Landing.....	F	NO
61	East Arrow Park.....	F	NO
	Arrow Park.....	PF	NO
28	Glendevon.....	F	PF
	West Demars.....	F	NO
1029	Nakusp.....	PF (Lower part of town)	NO
	Shoreholme.....	—	—
	Fosthall (Str. Ldg.).....	—	—
	St. Leon.....	F	NO
	Halcyon.....	PF	NO
13	Galena.....	PF	NO
49	Beaton.....	PF	NO
72	Camborne.....	—	—
	Arrowhead.....	PF	NO
	Halls Landing.....	F	F
130	Sidmouth.....	F	NO
	Wigwam.....	NO	NO
	Greenslide.....	NO	NO
105	Mount Cartier.....	F	NO

The towns of Castlegar, Robson and West Robson are downstream from the proposed dam at the outlet of Arrow lakes. The low lying areas of these towns would be affected by the low Arrow lakes project.

General McNAUGHTON: The upper Arrow lake is here and Nakusp is here. The area printed yellow all the way along is the land which would be flooded with an elevation of 1402. That is land which normally is subject to natural flooding almost every year.

The effect of this High Arrow project is shown in the brown. That gives us an idea of the area of land which would be inundated.

In connection with this flooding along the Arrow lakes, I must say it is not just a case of raising the water level to the point which is indicated, this in

itself is of no great value; in fact, in this case it is of no value to either country for power if you merely raise the water level. You have to impound the water and then flow it out during the six months of low flow so that it can be used in the power plants downstream. If you are using it for power purposes, you have to be sure the reservoir is drawn down before the spring freshets arise because what is valuable is to have an open reservoir available to capture these flows when they come and prevent them going downstream to do damage there. Then you let them out gradually and get power benefits out of them. What you have is that these areas which are shown in brown will be covered by water, in the late summer and early winter, which will be drawn down toward spring the ground will be exposed, there will be extensive marsh lands or mud, or what-not, making it almost impossible to arrange for communication across the country.

If you create a reservoir of this sort, you must face up to the fact that you would be severing these communities into two parts. I think this is a pretty serious consideration which has to be weighed very carefully by the people who will have the ultimate responsibility in these matters which will be, of course, the government of British Columbia and to some extent the government at Ottawa as well. I would like to say that these projects were put into the studies of the engineering board and were not objected to because of the immense advantages that they are alleged to carry to the interests downstream. There is no commitment whatever to execute any of these projects. From the very beginning it has been recognized by all concerned that the people who will determine whether or not a project is to be built are those in the governments of the localities concerned.

I know that our friends from British Columbia, who worked with our engineering boards, who have been working on the committees and who in Chicago gave us an explanation of these projects, have been very careful to point out the great problem involved and the economic disadvantages which would accrue to Canada from this High Arrow project.

The Low Arrow project, of course, per acre foot of storage is a much more costly project and it does not provide the quantum of downstream power which exists in the other. However it does not carry the flood lines above what would occur in nature and does not do very much damage.

There is the intermediate suggestion which has been worked out, which calls for a level of 1411. This would require a certain amount of dyking around the southeasterly section of Castlegar but it appears that it might be worthy of consideration. It gives somewhat more storage and somewhat more head at Murphy creek. But those are questions which will be gone into and determined by the provincial and federal authorities concerned.

Mr. JONES: Mr. Chairman, in carrying out your negotiations in regard to development, is it intended that you use this report on the water resources of the Columbia river basin which you have just given us as one of several reports, or is it intended that this will be the primary document with which you are developing projected use of the alternative schemes?

General McNAUGHTON: I think that is a very illuminating question, I will answer it very carefully. This report contains a study by an international board as to what would happen at one point in time. The point in time for the study has been chosen for 1985. It represents the best judgment of the engineers and the best informed people of the two countries who have been collected together in the board to work out these matters on this arbitrary international basis that I have indicated, namely a weighted mean average of interest rate and a parity of dollars between the two countries; a recognition that there are social and political problems which are not within the purview of the board but reserved by the governments for their own decisions later on.

Now, in regard to this report, it will be impossible to work out and reduce to manageable dimensions the statistics of a scheme which takes a position and carries it through stage by stage. We can take one point in time. We can take the arbitrary assumptions which have been made as a basis, and when we have reached the decision stage of the actual project, then all these political, economic and social factors will have to be taken into account as well. We can relate them to a particular circumstance and with a good deal of confidence reach conclusions on the economics of it. The basis is all this report purports to provide.

As I say, the decision as to whether the project is to be built or not is not for the commission to decide. They decide nothing. Together in the commission we are trying to recommend to the two governments what seems to be, by and large, and from our points of view, the best mutual arrangement that can be arrived at. The decision rests with the governments.

Mr. JONES: I quite appreciate the impossibility of trying to estimate what governments might in fact do by way of construction of these projects, and you would have to deal with potentials rather than with plans.

General McNAUGHTON: I think we can do a bit more than that. Once the governments have weighed the social consequences of these matters and have said to us: "You will include High Arrow; or you will leave it out", it would not take us very long to adjust our basic figures. We would be able to give the governments a realistic appreciation of the power possibilities of the revised scheme and the economic consequences to the two countries. But we must be very careful, particularly in regard to annual costs, in interpreting these figures. Those are basic figures which are put up and they have a definite basis. If the basis changes, then we will very quickly change these figures to suit the situation. For instance, if we picked any of those projects in Canada and proceeded on them today, in place of using the figures on the basis of 3 per cent, we would go to the average rate of bond issue in Canada and that varies from day to day. If we did not do it on a basic system, we would have to change our figures every time we came before you.

Mr. JONES: Could you give us a summary of the steps which have to be taken in the future in order to arrive at the stage where the governments can proceed with the actual construction of whatever projects they may then decide to build?

General McNAUGHTON: To answer that question I would say this. In so far as the United States is concerned, they have now completed a most comprehensive review of their water resources of the Columbia basin in the United States. Every phase of their plans for development have been laid out for the next fifty years. I am referring to the plans they would like to see carried out. Of course, some of the plans are dependent on the cooperation extended by Canada.

The report which has been prepared by the army engineers is presently before the rivers and harbours board, and within a matter of a few months their proposals will be before the committees of the Senate and so on. They will be endeavouring to have an over-all plan of development approved in so far as the United States is concerned. Now that covers investigations conducted in regard to reclamation, irrigation, the purity of waters for municipal and domestic purposes, power purposes, flood control and so on.

The report is comprehensive; it is in five volumes. We have a copy, and if any of you are particularly interested we would welcome a visit to our office and we would be glad to go over it with you. It is a mine of useful and relevant information on the subject. In Canada we have a number of reports which are now available to the governments. First of all, we have the

report of the International Columbia river engineering board, which has been made freely available; that is the one I produced for you today.

The British Columbia government have employed consulting engineers who have done a very comprehensive study. I am referring to the Crippen Wright firm. Their report has been presented to the authorities in British Columbia. As a matter of courtesy copies of these reports have been made available to us, and the basic information that is contained therein has been used for our own guidance. Naturally, these are confidential documents as they go into the vital resources of the province. We are allowed to use the information but we must not disclose it.

On the government side, we have these comprehensive studies which have been made for us by the British Columbia engineering company in regard to the diversion of the Fraser. We have a review report made by the Montreal engineering company, and we have a number of other studies as well that have been done here in Ottawa by the officials of the government on various phases and for various purposes. Those studies are from a national point of view; they contain national information. Likewise, we have them in the Canadian section of the commission on a confidential basis. We can use the information, but we must not disclose it. I think this is quite understandable.

I would say that the engineering studies of the projects in Canada are well advanced. They are almost complete in the United States; but in Canada our studies are well advanced and it will not take a long period to translate these studies into actual working designs for the various dams and so on that would have to be constructed.

Mr. MONTGOMERY: May I ask on that point, Mr. Chairman, would it be the responsibility of the Canadian section to plan a complete system which would be adopted by the federal and provincial authorities as an over-all plan, or will that require a further commission or someone else to do that?

General McNAUGHTON: I indicated earlier that the projects which would be selected would be a matter for governments. I think it has been announced already by the minister concerned that the discussions leading to these decisions are in process. The technical officers from British Columbia have been meeting with the technical officers of the federal authority here and this information is being ironed out. Concurrently we are being kept informed of the progress made so that we can bring it to bear in our discussions with the American section of the commission. That process is proceeding.

Mr. HERRIDGE: Mr. Chairman, I would like to refer for a moment or two to the High Arrow, because you will appreciate the concern of my constituents in this regard. Am I correct in assuming that no power whatever will be developed at the High Arrow dam in Canada?

General McNAUGHTON: The project for High Arrow, which was evolved by the engineering board and which we agreed to allow them to study, without commitment, has no power. The dam would be built above Castlegar. It would raise the level of the water and merely let it out on demand. It is not possible to carry the level of 1446 down power site at Murphy Creek without completely washing out Castlegar; of course that has not been contemplated or suggested by anyone. There would be below the High Arrow the Murphy Creek project, which has a crest elevation of 1402, which gives about 65 feet of head.

The CHAIRMAN: Time is passing and another committee wishes to use this room in approximately five minutes. I presume it is the wish of the committee that General McNaughton will return. I understand his time next week is taken up with meetings at Montreal and elsewhere. In view of this, the committee will have to meet at the call of the chair.

Mr. MONTGOMERY: How much longer will it take General McNaughton to complete his presentation?

Mr. LENNARD: It all depends on how many questions are asked.

General McNAUGHTON: I was going to answer that question. Up until now I have been trying to give a factual background upon which you could ask your questions.

Mr. McCLEAVE: How long will it take General McNaughton to present his factual background?

Mr. MONTGOMERY: I wonder if we could meet this afternoon.

Mr. HERRIDGE: I would support that suggestion in order that General McNaughton's evidence can be completed as soon as possible; he is a very busy man and has many other things to do.

The CHAIRMAN: Is it the wish of the committee to meet this afternoon at 3.30?

Agreed.

Mr. RICHARD (*Ottawa East*): I would like to say, Mr. Chairman, that all of us are very interested in this committee. We have found General McNaughton extremely interesting and we are willing to come back this afternoon.

General McNAUGHTON: Thank you very much. I am very interested in speaking about this subject. I think this committee is particularly concerned with the projects in Canada and if it meets with the pleasure of yourself, Mr. Chairman, and your committee, I would like to cover the three alternative developments giving you some of the specific detail, and reduce the costs to benefit-cost ratios so you can see the relationship one bears to the other. In that way we would be looking at it from a Canadian point of view.

The CHAIRMAN: Is that agreeable to everyone?

Agreed.

—The committee adjourned.

AFTERNOON SESSION

THURSDAY, April 23, 1959.

3.30 p.m.

The CHAIRMAN: Gentlemen, we now have a quorum. I shall ask General McNaughton to proceed from where he left off this morning.

General McNAUGHTON: Mr. Chairman, if I may, I shall go over alongside the map in the corner. It was suggested by some of the members that it would be helpful if, before proceeding to deal with the three alternative routes by which the water resources of the Columbia and the Kootenay in Canada might be used, that I give briefly an idea of the distances which are involved.

This is the international boundary. This shown in green on this chart is the Kootenay river flowing in from the high mountains on the boundary between British Columbia and Alberta, coming into the Rocky mountain trench and then following down and crossing the boundary here in a great loop through part of Montana and through Idaho, and coming back into Kootenay lake. This is flow from Duncan lake, coming from the north.

The distance from the east crossing to the west crossing of the Kootenay is about 60 miles. From the point of view of topography the river falls in the loop about 550 feet.

Kootenay lake is about 75 miles long. The distance from Murphy creek which is the site which is below Trail where a dam is contemplated to Mica which is at Big Bend is around 200 miles.

The Arrow lakes are, from Castlegar here through to the head of the lake here, roughly, 95 miles long.

That gives a rough idea of the magnitude of the distances which are involved in all this.

Underneath on this other chart if you care to look at it are shown the various rivers and places with water levels and various storage dams which are contemplated. Also we have shown where from Revelstoke Canyon reservoir a line running to the Fraser river for that diversion when the time should come to make it.

When I was speaking to you this morning I was dealing with the projects in the Columbia basin as a whole, that is, not only the projects in Canada but those in the United States as well. I pointed out that the expenditures on these additional projects which are shown in this report for the United States run to about double what the expenditures are for Canada. I attempted this morning to set up our alternatives in that larger framework.

The alternatives must of course remain in the larger framework because it is a cooperative study which we have in progress. But I have the feeling that we have not made the differences sufficiently sharp.

Accordingly I proposed to your chairman that I should just take a short time to show you the projects which are above the confluence of the Kootenay with the main stem of the Columbia which it joins just below the Arrow lakes on the one hand and the projects above the head of the Arrow lakes on the other hand. Those projects which are in this area, are the three alternatives.

The first alternative is the non-diversion alternative. In the non-diversion proposal, the waters of the Kootenay remain in their present channels, rising on the western slopes of the Rocky mountains and coming down here to be joined by successive tributaries, coming in through this loop down through the United States and back into Kootenay lake, and down to join the Columbia at this point.

The Columbia itself rises in Columbia lake, going through to lake Windermere and then it follows across and right around the big bend, and they join together at the foot of the Arrow lakes and flow down into the United States and into the Franklin D. Roosevelt Reservoir above Grand Coulee Dam.

The flows of the river in the main stem of the Columbia from Columbia lake down to Mica are not sufficiently great as to justify any development at all in this section of the river until you get to Mica creek.

The storage here, on the Kootenay, if we built it, would be at about 2,710 above sea level, or may be a little more. Mica would be at 2,435 feet above sea level, so there is a great waste of potential head, because there is not enough water to make provision to justify its development. So that in itself is a great loss to Canada of course.

We have a project at Mica which would give us a little over 11 million acres of useful storage feet. The next site is Downie and then Revelstoke canyon.

Then we have no more developments on the main stem until we come to Murphy creek upstream of the boundary. This is the site where we would have had a dam at Bull river, assuming the principal developments would be on the Kootenay; and here is the Libby dam of which you have heard a lot, and the development below it at Kootenai falls, and development here at Katka.

As I mentioned this morning all these projects on the Kootenay are very very expensive projects. The reason they are expensive is that this river route is occupied principally by the railways, and if you are going to build a dam at all, even if it is only a few feet high, when you flood out a section of the railway it means a lot of expensive relocation.

The Libby dam itself is not a practicable project, and is not even worthy of consideration, unless Canada should donate to the United States the head roughly along this area from the boundary up; that is about 150 feet above the natural level of the river at the boundary. The head from here to the boundary is 190 feet, making a total of about 340 feet that would be developed. Even at 340 feet it would be an expensive marginal development as I will be able to show you in the figures later.

Without the donation of this head, which is a very valuable, by Canada to the United States, that project is impossible.

These other projects are not storage projects. They are at site head plants. This one is marginal. This one is quite uneconomic.

So not only do we by this method lose the flow of the river which originates in Canada, and which, under article two of the treaty of 1909 is under Canadian jurisdiction with the right to divert specifically mentioned in the treaty, but we loose the use of these resources of head which are involved. The first idea that we had was to complete diversion of the flow of the Kootenay from this point above. But a compromise proposal has been put up to us since which is known as sequence eight, and I shall show it to you now.

In the sequence eight proposal a dam is built at a site known as Copper creek, and the flow of the Kootenay river, plus that of Finlay creek is reversed in direction to go down the Columbia.

The effect of that dam there is to take the flow, on the average, year in and year out, season to season, of 3,500 cubic feet per second, and turn it down towards this point. That does two things. It not only enables us to put into this reservoir a very considerable amount of stored water that has been captured from the crest of the flood, but it also enables us to have a power development at Luxor and it brings the Calamity Curve site, which is valuable site, into use; and that 3,500 extra cubic feet per second of flow at Mica becomes even more attractive as I will show you in the tables in a minute.

It also means a very substantial power development at Downie creek and at Revelstoke canyon. Most of the cost of these sites is in the dams themselves. They are adding 3,500 cfs of water, which is very very material advantage to the power output, without adding substantially to the cost. So we get increased benefits.

The same thing would be true if we were to add at site plants down here to take up the head between Revelstoke and the head of the Arrow lakes. When you come to Murphy creek the flow is exactly the same as it was in nature, because the Kootenay has joined the Columbia at this point.

The proposal, as it is worked out in the engineering board, shows that Libby would still be able to flood up to the Bull river site which is just above the Bull river, but there would be a reduced flow with reduced installation.

With the reclamation of flows which come in below this Copper creek reservoir, there would be a considerable available at Libby. Kootenai falls is just marginal. The benefits of it depend on interest rates and other matters which would have to be judged as time goes on. However, Katka is quite out.

Now I would like to show you the Dorr diversion which is the alternative we have proposed. In the Dorr diversion a dam is built at Dorr. It is the name of a little community down close to the boundary. It is about ten miles from there to the boundary, and I think that the natural head in the river below Dorr to the boundary is about 37 feet. We would lose about 37 feet of Canadian head in that stretch.

This dam would be built, flooding up against the Bull river dam site, and the storage in that area would amount to about nearly 900,000 acre feet.

The Bull river would be equipped with pumps to raise the water which is captured in Dorr. That is in this area, below the reservoirs; and it would raise that water over the dam and into the Bull River-Luxor reservoir which is at about 2,760 feet—no, I am sorry, it is 2,710 feet above sea level.

So by pumping some 150 feet or so, we would then have the use of that flow through about 1,700 feet until we got down to the boundary here. The extra flow which would come in from the Dorr diversion is about from 3,500 in the Copper creek plan to 8,000 cfs. That would leave a live stream of about 1,000 cubic feet per second crossing the boundary here, which very soon gets up to a flow of about 5,000 or 7,000 cubic feet per second by the time it gets over here. There is a lot of inflow in this region which would still continue down. The flows diverted would be flows of Canadian origin from the two tributaries, the Elk and the Bull.

Mr. McGEE: That would put the three American projects out of the question?

General McNAUGHTON: It reduces them to the extent that they would not be economical. I do not think I should put it that way, "it reduces them to the extent that they would not be economical", because I think when you see the figures you will agree with me they are uneconomical anyway. I have no doubt whatever that, looking at this matter from an international point of view and disregarding the boundary completely, if people were, as I say, looking at it philosophically as to what was best to do in the general interests of the public, the diversion is what would be done. That is because, as I will show, the costs go down very materially and the cost benefit ratios go up. The uneconomic and very expensive projects here are eliminated, and others which are much more reasonable in cost are substituted.

Mr. McGEE: What is involved here? Is it the building of a bridge, or another pump, or will the level come up above that? There is a picture of that in your report.

General McNAUGHTON: If the level is raised to 2,710, the Canal Flats region is about 60 feet under water. There is an abandoned canal through there now. In the state of nature, the water level of the Kootenay river at this point is about six or seven feet above the level at the Columbia lake; you only have to put a furrow through there and the river will flow that way.

There is a picture in the report that will show it. There is no trouble whatever in making that diversion there if they get it up to anything above 2,660, which I think is the lowest at which we could make the diversion. That water would be controlled, at Luxor, and so on down. The amount of pumping at work is shown. I think about 50 megawatt years of energy is required to lift that water over the dam here in order to give it an opportunity to flow through many times the head downstream, generating power all the way.

Mr. McGEE: What distances are involved here from the Columbia lake to the—

General McNAUGHTON: It is about a mile and a half across and, as I say, the Columbia lake is lower than the Kootenay. As a matter of actual fact, that is the way the river went years ago. It was only when some sort of an ice jam occurred here a long time ago, and these flats were filled in, that the river was turned in this way.

With this extra 8,000 cubic feet per second going through the flats, the power, of course, goes up enormously.

In this comparison, as I say, I am taking the water in these three projects, the various projects that lie between that point and the head of the Arrow lakes. I have omitted, because it can be considered separately, the question we were discussing this morning as to whether or not we should have the

high Arrow included in these projects here. That does not affect the comparison of the three principal projects.

I would like to distribute these photostatic copies of tables that were worked out over the weekend, when we felt that possibly you might like a more detailed analysis of these Canadian projects than we have been able to give in the setting up of the main projects. I will ask Mr. Chance if he will be good enough to distribute them.

The CHAIRMAN: Is it the wish of the committee that they also be included in the minutes?

Some HON. MEMBERS: Agreed.

(See Appendix.)

General McNAUGHTON: I think you will find these very interesting, Mr. Chairman.

Mr. NUGENT: Could I have a copy of the report?

The CHAIRMAN: General McNaughton provided 15 copies this morning, and he has indicated that he will supply more later on.

General McNAUGHTON: We are trying to get out a compressed report giving the essentials of this one but without the extra detailed information, a report just boiled down to the essentials. That is now in the course of preparation.

On table 1, which has been distributed, you will see a list down the left-hand side of all the projects that we contemplate, whether they are allied to one or other of the sequences. If they appear in any sequence, they appear in the left-hand column. That same listing follows in the other two tables we have prepared for you.

The first set of columns between the heavy black lines is the installed capacity which the engineers have indicated would be appropriate for the three sequences; first of all in sequence VII, then in sequence VIII and then in sequence IX. Sequence VII, you will recall, is the leaving of the Kootenay in its own channel. Sequence VIII is the diversion at Copper creek—which is about here on the map—and sequence IX is this Dorr diversion with Bull river, Luxor, and so on.

In sequence VII we have divided the projects into projects in the United States, projects which are trans-boundary—that is, in this particular case, projects with a dam in the United States which causes flooding into Canada—and the projects in the United States itself. The writing across the bottom represents in megawatts the total of the installed capacities. For example, the total of all projects here in Canada is 3,248,000 kilowatts.

In the United States, as a trans-boundary project, there are 344,000 kilowatts, which would be at Libby. In the United States itself, the figure is 240,000 kilowatts, which would be at Kootenai falls. Now you come to sequence VIII, where you will recollect we included the diversion around to the north. You find that the total of the Canadian projects has gone up to 3,795 megawatts of installed capacity. That is an increase of about 550,000 kilowatts, which is substantially one half the share of Ontario in the development of the St. Lawrence. Libby has fallen to 258,000 kilowatts; and the other projects at Kootenai falls has gone to 180,000.

In sequence IX, the only projects that are active are in Canada, and the total has gone up to 3,952,000 kilowatts, which is 714,000 kilowatts in excess of what it would be with no diversion anywhere. That is a very, very large amount.

We come over to the next column between these lines, and we give the usable storage in million acre feet. That is given in Canada, trans-boundary and in the United States. It is 17 million acre feet in Canada and 4 million acre feet in the United States, which is the Libby project flooding 150 feet of

head into Canada, a distance of about 42 miles. This makes a total storage of about 21 million acre feet. The total storage in sequence VIII is just a little less; it is 20.4 million acre feet. In sequence IX the storage has fallen off by a little over 1 million, to 19 million acre feet. The reason for that is that Libby is no longer a practical proposition; that 4 million acre feet could not be developed, and the addition which we would make to our storage by the Bull river, Luxor reservoir does not quite compensate for that loss.

We have suggested to the United States that it be worth consideration if they would build a low Libby project, and in that event we have suggested that our people might look favourably on the provision of this idle head of 37 feet, so that the dam could have 37 feet on top just to the boundary. If that were done—and our calculations show it is a reasonable proposition, with the flows that go down—there would be an additional 1.7 million acre feet of storage in that region and which would be very useful, not only to our plants in this region, but also valuable to the United States plants down here. Our head here would only be about 400 feet, through which we would be using it, and down here they would have about 1,255 feet. So that we do not regard the possibility of a dam in that region, under the sequence IX arrangements, as entirely excluded yet.

The next column is given for sequences VII, VIII and IX, representing the capital costs as estimated by the engineers. I would like, first of all, to mention that the sequence VII capital costs in the two countries run to \$1,102,000,000. In the sequence VIII the costs have gone up a little, to \$1,128,000,000, whereas when you go to sequence IX—that is, the Canadian proposal—the costs have fallen off to \$808 million. In other words, we are saving roughly \$300 million on capital account by carrying out the proposal which I have indicated on this particular chart.

The details of the costs of each individual project are taken out of the Columbia engineering board's report and are reproduced here, so if you want to look at these tables at your leisure, you can see just how these costs are made up.

Going to table No. 2, we have tried to set this up initially with the comparison of the outputs and the annual costs readily available to you. In the left-hand column you have all the projects in the three sequences listed in the same sequence as they were on table 1. The first pair of heavy lines here relate to sequence VII, with the individual figures taken out of table 6 of appendix VI*, which has been issued to you. For convenience, in the first column we have listed again the installed capacity as recommended by the engineers, which is given on the first sheet as well.

The next column is the usable storage at the various sites which are used in that sequence. Then we give the output that would be obtained from the dams, without any storage release at all.

That is to give you an idea of the measure of the power which would be available out of the flows of the river.

The next column gives the effect of the storage when it is used in accordance with the twenty year cycle which is particularly studied in these reports. I must mention, in the principle of allocation of the benefits of storage, the flows from storage are multiplied by the heads through which those flows go at each individual plant in the sequence downstream to the sea. In a system study the totals of those energy increments for each plant downstream are added to them and credited to the storage from which they

*Appendix VI to Report to the IJC United States and Canada, Water Resources of the Columbia River Basin: Economic Studies Prepared by the International Columbia River Engineering Board, 1959.

are created. That is an arrangement which is appropriate under a system study, but it does not bring into notice the great problem which we have in the commission of arriving at a method of dividing up those benefits. I will come back to that later.

In the second set of columns the identical figures are reproduced and the same thing is true for sequence IX.

As far as the total energy generated in sequence VII is concerned, I would like to say it is 3,372.9 megawatt years. In sequence VIII it is 3,529 megawatt years, and in sequence IX it has fallen off to 3,400 megawatt years.

Coming over further in the table, we show under each sequence in three columns first the annual cost, then we reduce that cost in the second column to the cost per kilowatt year basis, then for convenience we follow that by mills per kilowatt hour of energy.

In sequence VII the annual costs run to \$49,918,000; in sequence VIII, \$51,591,000; and the whole business can be done in sequence IX for \$38,399,000.

I will go straight to the mills per kilowatt hours which that represents. In sequence VII it is 1.69 mills. In the second case it is 1.67, which means a slight decrease. When you come to sequence IX it is a very sharp decrease because the cost falls to 1.29.

Mr. HERRIDGE: How does that cost compare, for instance, to Bonneville at the present time in sequence IX?

General McNAUGHTON: The Bonneville market cost for firm power, which power, is what we are dealing with here and not energy, is \$17.50 a kilowatt year, which is 2 mills. If you look at the Bonneville statement you will find that the costs are somewhere around $2\frac{1}{4}$ mills. This really means that under the sequence IX arrangement, due to the fact that we are dealing with a country which is virgin and which has not been partially developed before, a general project lay-out can be put in to the best advantage—which sequence IX is—the power development which you can still get with hydroelectric development under costs which are very cheap.

I would like to sound one note of warning in the interpretation of these mill costs. Remember in these studies we are dealing with a basin development as a whole and in order to do that we had to adopt a weighted mean rate of interest of 3 per cent in this case.

We had to ignore the fact that there is some difference in exchange between Canada and the United States, but not very much or very important in effect because we assume that all projects in Canada have been estimated on a Canadian currency basis and that the same is true in the United States. If they are built in that way the capital costs estimates are substantially correct. When you come to the annual charges, the actual amount to be incurred in the United States for their own projects would be somewhat less than we have indicated here because we are charging everything up at 3 per cent as a base from which to do our further calculations, whereas they will actually get their money at about 2.5 per cent.

It will make some reduction, but not a reduction proportionate to the decrease in interest because interest is only one of a number of charges. It does actually represent something in the order of half the other charges, which are estimated in terms of actual amounts, required for the operation of the dam, replacements, machinery and the like.

I will not worry you by going through the details of these costs which have all been set out here in this Table 3, but I would like to go straight to this question of benefit cost ratio. In this last column, and in the last column of each of these sequences, we put in the benefit cost ratio, which is the ratio of the annual power benefit given in the third column to the annual costs.

In the case of sequence VII it is \$125 million compared to \$49 million, giving a benefit cost ratio of 2.52. That is for these projects we are speaking of alone.

In sequence VIII, with the partial diversion, the benefit cost ratio goes up to 2.59. In the case of sequence IX it goes up very, very materially to 3.40, which is very important. That, of course, will have to be modified by these other factors of which I have spoken when we come to do the calculation. We know our rate of interest and when we know exactly which projects will be built there will be some adjustment to those figures.

Here we have bare economics and, in these economics which I have been mentioning of these diversions, they are looked at from the point of view of the basin as a whole.

Just to assure you I am not alone in having put these figures forward, although I have endeavoured to bring them out in sharper relief, they are also given in tabular form in Appendix VI of the Columbia board's report, table No. 16. I will take a few examples out of that to indicate it to you. For example, the Libby dam in sequence VII has an annual cost of \$13,739,000. The average assigned annual power benefit—the same figure I have been using—is \$11,629,000. In other words, according to the engineering board's report, and on the basis of that report, Libby dam would be in the red to the tune of roughly \$2 million a year. In other words, it is not an economic project. It would be costing more than it gives to pay for it.

In the system which has been practised by the army engineers in the United States, when they have projects which they are anxious to build, and which are not satisfied by the power benefit alone, they bring in the benefits from flood control. Libby dam if built would have a storage of 5,010,000 acre-feet of storage. In annual flood control benefit, when measured at the Dalles in the basic objective of reducing the flow at the Dalles from $1\frac{1}{4}$ million cubic feet per second to 800,000 cubic feet per second, Libby, applied on that objective would rate a flood control value of just under \$5 million. So the \$5 million of flood control taken off from the \$13 million annual cost leaves the project still with its \$11.6 million of power control benefit and on that basis it would be classed as economic and justified.

I do not believe that the comparison we have been making of these flood control benefits comes into it because each one of these sequences, VII, VIII and IX gives complete flood protection from all the flood flows which originate in the basin. Whether or not they are credited in this very arbitrary system with the flood control, they in fact do remove the flood menace from the whole of the basin downstream from water originating in the basin. That is why we say flood control is cared for. You do not need to do these arbitrary additions or subtractions because that consideration has been satisfied in any event.

I would like to take a look at Mica, for instance, in each of the three sequences. The annual cost of Mica in sequence VII is just over \$13 million a year. It rises to \$14 million in sequence VIII and a little over \$14.7 million in sequence IX. The benefits in sequence VII are \$49 million a year, rising to \$50 million in sequence VIII and to \$54 million in sequence IX. You can see the very, very substantial beneficial effect on the values of the individual project which comes from diverting the flows of about 8,000 cubic feet per second into the main stream of the Columbia river itself.

Similar increments in value take place for Downie creek and Revelstoke canyon and would occur also if it were decided to build another dam taking up the head between Revelstoke and Arrow lake. It has no effect whatever at Murphy creek because at Murphy creek, as pointed out, the flow is the same

whichever sequence you might bring into play. You are not adding any water to the system as a whole, you are just using it in a more effective way by bringing it around that way.

I hope by means of these tables, which bring together the identical figures that are in this report, that I have brought out more clearly the benefits of our proposed diversions.

The CHAIRMAN: Thank you, General McNaughton. Are there any questions?

Mr. HERRIDGE: Has there been any particular percentage or figure used in regard to a division of these benefits in considering the downstream benefits?

General McNAUGHTON: We have looked at many proportions at various times. Gentlemen, my associates in these studies have come to the conclusion that we should have the simplest arrangement as possible. There are two parties to this deal. Roughly we have the same heads on the average through which to use our storage downstream; and so there being two parties to a deal, equity calls for a fifty-fifty break. When people say to me: why do you argue for fifty-fifty, I have to answer: why not. There are no theoretical bases short of the most elaborate calculations which would not hold from one year to another to fix any other percentage. Fifty-fifty seems to be a fair basis of consideration. Now I cannot say that has been arrived at in the discussions to date. I cannot say that it is acceptable to the proprietor of the resources, which is the province of British Columbia. All of these views are in the process of adjustment at the present time. I can say that at each of the meetings which I have attended with the Americans, we have had official representatives of the British Columbia government sitting in with us. They have been given an opportunity to familiarize themselves with the points of view being expressed by our American colleagues. There is this process of adjustment of views going on. We hope it will not be long before we come up with a joint proposal which must be equitable; if not, you could not expect the commission to recommend it.

There is another matter which impels action. We are seeing signs of a definite shortage of power for services in the Vancouver area. We also have evidence of shortages of power in the Pacific northwest states. The effects of the situation were hidden by the recent recession. But the recession is improving and the power loads are picking up. In both cases they are pretty well back to the long-term forecast. There is every indication there are imminent power shortages in both sections of the basin. People will have to make up their minds shortly.

Mr. McCLEAVE: Is such an agreement possible in a short time?

General McNAUGHTON: I can only say that we are in the process of discussions and we are very close to reaching an agreement. We have a mandate from both governments to reach an agreement. Progress is being made as we develop one another's point of view. It is not going to be done overnight, but I think these problems, like others, will yield to persistent effort by keeping in mind the other fellow's point of view and his rights.

Mr. McGEE: How much progress toward agreement has been made in the last year?

General McNAUGHTON: All the progress which has been made has been made since January when we received the letters from the two governments accepting the fact that there were downstream benefits which needed to be divided and asking the commission to give a specification of these benefits both for flood control and power particularly, and to propose methods of allocation. On the basis of that, which is a consideration to both sections of the commission, I think we can justify the claim that substantial progress has been made and is being made. The commission is meeting just as frequently as possible to obtain the information which it has been requested to gather. We meet in Montreal on

the thirteen of this month and we will continue on to May 1 and longer if we find it useful to do so. That meeting will be followed by others in quick succession.

Mr. HERRIDGE: There is a provision in this year's estimates of the National Film Board for research and writing of the script for the production of a documentary film on the Columbia river basin in Canada. It will prove very useful in informing Canadians of this tremendous coming development. Has the National Film board been in touch with the International Joint Commission with a view to making certain these particular dam sites are included in such a film? These films will be shown in various parts of the United States as well as Canada.

General McNAUGHTON: The film board has kept themselves very closely in touch with what we are trying to do in the Canadian section of the commission. I think they have done an extraordinarily useful piece of work in connection with the films on the Columbia, which they have already put out. They try to be entirely factual. They took pictures of the United States Senate while considering these matters and have tried to put forward, for the information of the Canadian public, the point of view which is actually being expressed in the United States section. With the consent of the American chairman and myself, they followed us around wherever they wished on our trip of the Columbia basin last summer when we took with us the engineers, the commissioners and the advisers concerned to each of the dam sites. We gave them an opportunity to hear from the project engineers at the site, a full description of what was proposed at that particular place. They also listened in on some of our conversations without telling us that they were doing so, and I think with somewhat spectacular results. It was not that we objected to anyone hearing what we had to say.

Mr. Chairman, I would like to correct a mistake I made earlier. I am advised this was all done by the Canadian broadcasting corporation and not by the film board. I was not aware of the film board project, but I can assure them we will do everything we can to help them with facts, figures and pictures as well, if they want them.

Mr. McGEE: Have we reached the stage in this project where a working model similar to that which was developed in connection with the St. Lawrence seaway would be useful or desirable? You are familiar with the model I am referring to, showing the actual flow of water, catwalks and so on?

General McNAUGHTON: Of course, the models that were made for the St. Lawrence seaway, Niagara and other great models such as the one for Lachine, are for the study of the particular hydrological problem, which is at issue. Now, in this case you can hardly conceive of a model being set up for all the dams in a row. The models which might be required would relate to the individual projects. You would not obtain very much more information in regard to hydro electric developments from a model than you would by calculations; in fact, possibly not as much.

The St. Lawrence is quite different. In that connection we had to have these models because we had to take a great river and check it for variable characteristics winter and summer, and check it in regard to high flows and low flows. The St. Lawrence is a river whose banks are highly developed for industrial, residential and other purposes. We had the problem of moving that river from one channel to another and bringing the whole thing into line, including bringing the levels of lake Ontario under control. There the models were of some significance. We used the models as one of four means of arriving at our conclusions. It does not apply here in the same way.

Really there are no hydrological problems of that character in this basin. It would be nice to have a model as a spectacle to show the water flow and so on, but I do not think it would justify the expense. That has been our feeling. We felt we show the effect by means of block diagrams, tables of cost and so on. The cost and economics are more at stake in this than the engineering. Through engineering we can vary the heights of all those dams, and are doing so from one report to the next as additional foundation information becomes available. It may be that Downie creek will go up and Mica will be lowered. In regard to a particular route, it does not affect the over-all cost very much. These projects are being revised with each engineering report. That is where the studies have to be made and not on the actual flow itself. It does not matter, within a foot or two, what the levels are in the straight power developments.

Mr. LENNARD: If we have finished discussing this subject, I would like to move a hearty vote of thanks to General McNaughton for the splendid job he has done and for the painstaking way in which he has explained this whole system to us.

Mr. HERRIDGE: Everyone would concur in that. We all recognize the great work that General McNaughton is doing.

The CHAIRMAN: I can see from the applause that it has been seconded.

Mr. RICHARD (*Ottawa East*): General McNaughton, I hope we again have the opportunity to hear you; it has been a great privilege.

The CHAIRMAN: He has done a great job for us as Canadians.

Items 96 and 97 agreed to.

The CHAIRMAN: I have one or two announcements I wish to make. You will recall when Dr. Ault was before us there was a question asked regarding the trainees who came to Canada. Dr. Ault has provided us with the information. It is a summary of the number of trainees accepted in Canada and the status of the awards provided for them during the fiscal year 1958-59. You will notice that the period of training is expressed under each heading in terms of man months. It is all set out in table form.

Mr. McCLEAVE: I suggest we include it in the record.

The CHAIRMAN: Is that agreeable.

Agreed.

**Summary of the number of trainees
accepted in Canada 1958-59**

Number Provided for	Classification	Total Man Months		Monthly Stipend Rate	Total
114	Under graduates	92,385	@	140.00	\$113,450.00
75	Scholars	28,960	@	150.00	\$ 97,375.00
133	Resident Fellows	105,482	@	200.00	\$158,600.00
29	Travel Fellows	3,705	@	300.00	\$ 38,325.00

It should possibly be noted that out of this stipend each trainee has to provide for all his living and other personal expenses.

External Affairs

The CHAIRMAN: You will recall that at an early meeting we had item 76, the general item, stand with the understanding the minister, the late Dr. Sidney Smith, would come back and pick up any questions of policy which remained unanswered. There are no questions of policy outstanding, so I ask that item 76 now be carried.

Item agreed to.

The CHAIRMAN: I have a suggestion. At the last session, and all through this session, I asked that each member give me suggestions regarding our Report to the House. I do not suppose you have read all the printed proceedings, but I hope you will review them and if possible read them over and make suggestions to me of those references that should be included in our Report.

Possibly next week—I hope next week—we will call the sub-committee together to discuss what we should include in our report. I think that is all I have to say except to thank the members for the good order that they have maintained and the interest they have shown in the work of this committee, and also for the cooperation of all parties.

It has certainly been a pleasure to be the Chairman of this committee, and I thank you very much. The committee is adjourned to the call of the chair.

"APPENDIX A"

TABLE 1

COMPARISON OF INSTALLED CAPACITIES, USABLE STORAGE AND CAPITAL COSTS—SEQ. VII, VIII, IX.

DATA TAKEN FROM ICREB REPORT OF 1 MARCH 1959 AND APP VI

AGL. MC—26 MAR. 1959
ERP. 14 APR. 1959

Project or Development	INSTALLED CAPACITY M.W.						USABLE STORAGE M.A.F.						CAPITAL COSTS—\$ MILLIONS					
	Seq. VII			Seq. VIII			Seq. VII			Seq. VIII			Seq. VII			Seq. VIII		
	Trans- Boy	U.S.A.	Canada	Trans- Boy	U.S.A.	Canada	Trans- Boy	U.S.A.	Canada	Trans- Boy	U.S.A.	Canada	Trans- Boy	U.S.A.	Canada	Trans- Boy	U.S.A.	Canada
Bull River.....	134						2,794						88.6					
Dorr: Pumping.....						-56						0.881						34.1
Power.....						12												1.8
Net.....						-44												35.9
Libby.....	344			258			4,045					4,045	324.8			312.8		
Kootenai Falls.....		240			180									98.0			92.5	
Duncan Lake.....							1,402			1,402		1,402	24.8			24.8		24.8
West Kootenay: Existing.....	271		271			271			0.673			0.673						
Additional.....	263		263			25			0.355			0.355	40.8			40.8		2.4
Total.....	534*		534*			296**			1,028			1,028						
Bull River—Luxor.....						70						4,032						110.0
Copper Creek—Luxor.....			45						2,249							54.4		
Calamity.....			120			160										33.0		38.2
Mica.....	1,160		1,392			1,624			11,685			11,685	302.4			314.8		327.2
Downie.....	840		1,008			1,092							123.5			138.9		146.6
Revelstoke Canyon.....	580		696			754							104.4			116.9		123.2
Total.....	3,248	344	3,795	258	180	3,952	16,909	4,045		16,364	4,045		679.5	324.8	98.0	723.6	312.8	808.3
Sequence Total.....		3,832		4,233		3,952		20,954			20,409		1,102.3			1,128.9		

Notes: Projects included in ICREB requiring Flood Control Benefits for justification shown in *italic*.

Any one of the three sequences fully satisfies all U.S. requirements of Flood Control. No allowance for this benefit was included in this table. Para 268(i) states there are no major problems of Flood Control in the Columbia Basin in Canada.

* I.C.R.E.B. report gives 450 MW

** I.C.R.E.B. report gives 290 MW

TABLE 2
COMPARISON OF OUTPUT WITH NO STORAGE RELEASE, PRORATED STORAGE EFFECT AND TOTAL ASSIGNED ENERGY OUTPUT
FOR ALTERNATIVE PROJECTS IN SEQUENCES VII, VIII AND IX.

	Seq. VII—Table 6, App. VI						Seq. VIII—Table 7, App. VI						Seq. IX, Table 8, App. VI						Seq. VII			Seq. VIII			Seq. IX		
	Installed Capacity MW	Usable Storage MAF	Output W/No Storage Release MW	Effect MW	Total Assigned Energy MW		Installed Capacity MW	Usable Storage MAF	Output W/No Storage Release MW	Effect MW	Total Assigned Energy MW		Installed Capacity MW	Usable Storage MAF	Output W/No Storage Release MW	Effect MW	Total Assigned Energy MW		Annual Cost \$1,000	\$ per KW Yr	Mils/KW Hr	Annual Cost \$1,000	\$ per KW Yr	Mils/KW Hr	Annual Cost \$1,000	\$ per KW Yr	Mils/KW Hr
Bull River.....	134	2.704	59.0	307.9	366.9														3,743	10.20	1.17						
Dorr: Pumping.....													-56	0.881	-24.0	136.9	112.9										
Power.....													12		8.1		8.1										
Net.....													-44				121.0										
Libby.....	344	4.045	174.8	112.3	287.1		258	4.045	118.9	316.1	435.0								13,739	47.90	5.47	13,172	30.30	3.46			
Kootenai Falls.....	240		101.1		101.1		180		74.0		74.0								4,451	44.10	5.03	4,145	55.90	6.38			
Duncan Lake.....		1.402					1.402																				
W. Koot: Existing.....	271	0.673					271	0.673					271	0.673													
Additional.....	263	0.355					263	0.355					25	0.355													
Total.....	534	1.028	*347.4	*251.4	*598.8		534	1.028	*315.8	*249.8	*565.6		296	1.028	215.5	119.7	335.2		2,339	5.40	0.62	3,239	5.72	0.65			
Bull River-Luxor.....													70	4.032	36.6	512.5	549.1										
Copper Creek-Luxor.....							45	2.249	31.9	298.3	330.2																
Calamity.....							120		58.2		58.2		160														
Mica.....	1160	11.655	*597.8	763.3	*1361.1		1392	11.655	*696.2	614.9	*1311.1		1624	11.655	813.0	509.7	1322.7	13,396									
Downie.....	840		384.0		384.0		1008		442.0		442.0		1092		494.6		494.6		6,071	15.80	1.81	6,865	15.50	1.77			
Revelstoke Canyon.....	580		273.9		273.9		696		312.9		312.9		754		347.1		347.1		5,279	19.30	2.20	5,955	19.00	2.17			
Totals.....	3832	20.954	1938.0	1434.9	3372.9		4233	20.409	2049.9	1479.1	13529.0		3952	19.028	1970.1	1429.9	3400.0	49,918	14,80	1.69	51501	14.63	1.67				

Seq. VII..... 3372.9
Seq. IX..... 3400.0
Seq. IX Gain..... 27.1 = .24B KWH
* Adjusted in Accordance with Table 21.

Total Effect Seq. VIII (Copper Cr. Div.)..... 3529.0 MWYr
Seq. VIII (Non-Diversion)..... 3372.9 "
Seq. VIII Gain..... 156.1
156.1 = 1000 = 8760
1.3.7 BKWHrs. 129 × 1000 × 8760
Seq. IX—Seq. VII Loss..... 128.0
1.1.3 BKW Hrs.

Seq. IX (Dorr Div.)..... 3400.0 MWYr
Seq. VIII (Copper Cr. Div.)..... 3529.0 "
Seq. IX—Seq. VII Loss..... 128.0
1.1.3 BKW Hrs.

TABLE 3
COMPARISON OF ALTERNATIVE PROJECTS IN SEQ. VII, VIII, E. IX
ALL SEQUENCES PROVIDE COMPLETE FLOOD CONTROL AND THEREFORE BENEFITS ARE OMITTED

	Seq. VII \$1,000			Benefit: Cost	Seq. VIII \$1,000			Benefit: Cost	Seq. IX \$1,000			Benefit: Cost
	Capital Cost	Annual Cost	Annual Power Benefit		Capital Cost	Annual Cost	Annual Power Benefit		Capital Cost	Annual Cost	Annual Power Benefit	
Bull River.....	83,632	3,743	11,394	3.05								
Dorr: Pumping.....												
Power.....									34,053	1,856	2,237	1.20
Net.....									1,787	170	300	1.76
Libby.....									35,840	2,027	2,537	1.25
Kootenai Falls.....	324,800	13,739	11,629	0.85	312,800	13,172	14,736	1.12				
Duncan Lake.....	98,000	4,451	5,459	1.23	92,500	4,145	4,038	0.98				
West Koot: Existing.....	24,807	1,103			24,807	1,103			24,807	1,103		
Additional.....	40,756	2,136			40,756	2,136			2,399	182		
Total—West Koot E. Duncan.....		3,239	13,830*	4.28		3,239	13,100*	4.05		1,285	10,530*	8.19
Bull River—Luxor.....												
Copper Creek—Luxor.....									110,023	4,831	15,620	3.24
Calamity.....					51,390	2,494	9,391	3.76				
Mica.....	302,442	13,396	49,269	3.68	32,972	1,654	2,825	1.71	38,223	1,957	3,771	1.93
Downie.....	123,463	6,071	19,943	3.28	314,805	14,067	50,384	3.58	237,167	14,739	54,308	3.63
Revelstoke Canyon.....	104,379	5,279	13,842	2.62	138,911	6,865	23,373	3.40	146,640	7,262	25,921	3.56
TOTALS.....	1,102,279	49,918	125,366	2.52	1,123,848	51,591	133,941	2.59	808,267	38,369	130,288	3.40

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